

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025**

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

**To the Shareholders of
Saudi Cable Company
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the interim condensed consolidated statement of financial position of Saudi Cable Company ("the Company") and its subsidiaries (together "the Group's") as of June 30, 2025, and the related interim condensed consolidated statements of profit or loss and the other comprehensive income, changes in equity, and cash flows for the three month and six-month periods then ended, and other explanatory notes.

The Group's management is responsible for the preparation and presentation of this interim condensed consolidated financial information 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 this interim condensed consolidated financial statements based on our review.

Scope of Review

Except as explained in the following paragraph, We conducted our review in accordance with the international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independents Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries primarily to 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.

Basis for Qualified Conclusion

The interim condensed consolidated statement of financial position includes property, plant, and equipment, with net book value of SAR 40 million as of June 30, 2025 (December 31, 2024: SAR 43 million). Due to the presence of certain indicators of impairment of these assets, the management engaged an independent expert to conduct an impairment assessment using specific assumptions as of December 31, 2024. However, since the assumptions used by the independent expert were not in compliance with the requirements of International Accounting Standard (IAS) 36 "Impairment of Assets," we were unable to obtain sufficient and appropriate information and evidence regarding the reasonableness of those assumptions. As of the date of our review of the attached interim condensed consolidated financial statements as of June 30, 2025, and despite management's ongoing evaluation and assumptions used in the previous study, no significant changes have been made to those assumptions. Accordingly, we were unable to determine the recoverable amount of these assets or whether an impairment loss should be recognized, or to determine the potential financial impact on the attached interim condensed consolidated financial statements.

Qualified Conclusion

Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

Material Uncertainty Related to Going Concern

We draw attention to note 1 of the consolidated financial statements which indicates that for the period ended June 30, 2025, the Group reported a net profit of SAR 65 million (June 30, 2024: net profit of SAR 7 million), and the Group's accumulated losses have reached SAR 412 million (December 31, 2024: SAR 477 million), representing 617% (2024: 714 %) of the Group's share capital. Further, the Group current liabilities exceeded its current assets by SAR 881 million as at June 30, 2025 (2024: SAR 907 million). These conditions, along with other matters, cast a significant doubt about the Group's ability to continue as a going concern and its ability to meet its obligations when it becomes due.

In this respect the management has prepared a forecast five years which exhibits net profit from year 2025. The plan includes certain assumptions in respect of cash injection via rights issue, revenue growth based on pipeline orders and quotations, creditors and shareholders voting on the process of Financial Restructuring Procedure (FRP). These elements are future events and hence contain material uncertainty as to the outcome. Our conclusion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to note 1(c) to the interim condensed consolidated financial statements where it shows that the Group has a court in Turkey issued a verdict in favor of Mass Kablo Yatırım ve Tic. A.Ş for a case filed by the minority shareholders of its subsidiary. An appeal against the verdict has been presented by said minority shareholders. However, based on a legal opinion obtained from an independent counsel which is of the view that the decision of the Court of Appeal will not be different from the original decision issued by the court of first instance. In addition, the Group assessed and recorded a contingent liability amounting to SAR 52.5 million. Further the group has taken full provision on net assets of Mass Kablo Yatırım ve Tic. A.Ş.

In this respect the Board of Directors of the Group decided on Shabaan 22, 1445H, corresponding to March 3, 2024, to exit of its investments in Turkey, by disposing of them by sale or in any other way as permitted by Turkish law. As these companies did not achieve the desired returns and continued to achieve losses during the past years despite the solutions and treatments carried out by successive administrations to no avail and strengthening the opinion of local and international legal advisors to support the exiting decision. Our conclusion is not modified in respect of this matter.

For Al-Kharashi & Co.



Abdullah S. Al Msned
License No. (456)



Riyadh:

August 06, 2025
Safar 12, 1447H

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

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

(Expressed in Thousands of Saudi Arabian Riyals)

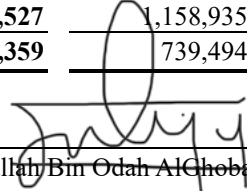
		June 30, 2025	December 31,
	Note	(Unaudited)	2024
			(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	6	40,099	43,430
Right of use assets	7.1	2,598	2,942
Intangible assets	8	996	1,128
Investment in associates	9	524,819	486,038
Accounts receivable and retentions receivable	10	7,057	7,057
TOTAL NON-CURRENT ASSETS		575,569	540,595
CURRENT ASSETS			
Accounts receivable and retentions receivable	10	108,951	68,162
Inventories	11	36,427	58,285
Prepaid expenses and other debit balances	12	42,453	45,262
Unbilled contract asset	13	12,433	12,280
Assets classified held for sale and discontinued operation	14	927	927
Cash and cash equivalents	15	9,599	13,983
TOTAL CURRENT ASSETS		210,790	198,899
TOTAL ASSETS		786,359	739,494
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,729	66,729
Hedging reserve		3,764	9,368
Foreign currency translation reserve		(6,559)	(6,550)
Actuarial valuation reserve		(12,231)	(12,231)
Accumulated losses		(411,871)	(476,757)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		(360,168)	(419,441)
Non-controlling interest		--	--
TOTAL EQUITY		(360,168)	(419,441)
NON-CURRENT LIABILITIES			
Retentions payable		3,404	3,404
Employees' benefit obligations	17	49,204	47,172
Lease liabilities – non-current portion	7.2	2,620	2,544
TOTAL NON-CURRENT LIABILITIES		55,228	53,120
CURRENT LIABILITIES			
Term loans and borrowings	16	104,290	104,290
Provision for zakat and income tax	18	264,372	264,372
Accounts payable, accrued expenses and other liabilities	20	719,754	680,643
Due to related parties	19	1,506	54,380
Lease liabilities – current portion	7.2	1,377	2,130
TOTAL CURRENT LIABILITIES		1,091,299	1,105,815
TOTAL LIABILITIES		1,146,527	1,158,935
TOTAL EQUITY AND LIABILITIES		786,359	739,494


Abdulaziz Bin Muhammad Batarfi

Chief Financial Officer


Khalid Bin Asaad Khashoggi

Managing Director and CEO


Abdullah Bin Odah AlChobain

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed consolidated financial statements

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025
(Expressed in Thousands of Saudi Arabian Riyals)

	Note	For the three months ended June 30,		For the six months ended June 30,	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Continued operation					
Revenue	21	30,191	10,118	74,297	22,690
Cost of revenue		(44,818)	(19,082)	(93,173)	(42,254)
GROSS LOSS		(14,627)	(8,964)	(18,876)	(19,564)
General and administrative expenses	22	(26,618)	(7,342)	(35,071)	(16,225)
Selling and distribution expenses	23	(1,335)	(818)	(2,473)	(1,452)
Reversal / (provision) for expected credit losses	24	1,031	(2,204)	1,031	(18,728)
OPERATING LOSS FOR THE PERIOD		(41,549)	(19,328)	(55,389)	(55,969)
Finance costs, net		(297)	(42)	(592)	(346)
Share of result from an associate		60,208	33,065	121,137	66,799
Reversal of provision of net assets of subsidiaries		--	4,822	2,328	7,118
Other (losses) / gains, net		(134)	(127)	(270)	789
PROFIT BEFORE ZAKAT AND INCOME TAX		18,228	18,390	67,214	18,391
Zakat and income tax	18	-	(1,700)	-	(4,250)
PROFIT FOR THE PERIOD FROM CONTINUED OPERATION		18,228	16,690	67,214	14,141
Discontinued operation					
Net loss from discontinued operating after tax	14	--	(4,822)	(2,328)	(7,118)
PROFIT FOR THE PERIOD		18,228	11,868	64,886	7,023
OTHER COMPREHENSIVE INCOME (LOSS) :					
Items that will not be reclassified to profit or loss					
Changes in foreign currency translation reserve		174	(636)	(9)	193
Items that are or may be reclassified subsequently to profit or loss					
Hedging reserve		163	4,091	(5,604)	11,705
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		18,565	15,323	59,273	18,921
Profit for the period attributable to					
Parent Company shareholders		18,228	11,868	64,886	7,023
Non-controlling interests		--	--	--	--
		18,228	11,868	64,886	7,023
Total comprehensive profit attributable to					
Parent Company shareholders		18,565	15,323	59,273	18,921
Non-controlling interests		--	--	--	--
		18,565	15,323	59,273	18,921
Earnings / (loss) per share (basic and diluted):					
Basic and diluted earnings per share from Continuing operations		2.73	2.50	10.07	2.12
Basic and diluted losses per share from discontinuing operations		--	(0.72)	(0.35)	(1.07)
Number of Shares		6,673	6,673	6,673	6,673

Abdulaziz Bin Muhammad Batarfi

Chief Financial Officer

Khalid Bin Asaad Khashogji

Managing Director and CEO

Abdullah Bin Odah AlGhobain

Chairman of the Board of Directors

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SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025**

(Expressed in Thousands of Saudi Arabian Riyals)

	Share capital	Hedging reserve	Foreign currency translation reserve	Employees' benefit obligation reserve	Accumulated losses	Total equity attributable to shareholders	Non- controlling interest	Total equity
Balance as of January 1, 2024	66,729	(5,951)	(6,259)	(12,332)	(506,766)	(464,579)	--	(464,579)
Profit for the period (un-audited)	--	--	--	--	7,023	7,023	--	7,023
Other comprehensive income	--	11,705	193	--	--	11,898	--	11,898
Total comprehensive income	--	11,705	193	--	7,023	18,921	--	18,921
Balance as of June 30, 2024	66,729	5,754	(6,066)	(12,332)	(499,743)	(445,658)	--	(445,658)
Balance as of January 1, 2025	66,729	9,368	(6,550)	(12,231)	(476,757)	(419,441)	--	(419,441)
Profit for the period (un-audited)	--	--	--	--	64,886	64,886	--	64,886
Other comprehensive loss	--	(5,604)	(9)	--	--	(5,613)	--	(5,613)
Total comprehensive income	--	(5,604)	(9)	--	64,886	59,273	--	59,273
Balance as of June 30, 2025	66,729	3,764	(6,559)	(12,231)	(411,871)	(360,168)	--	(360,168)



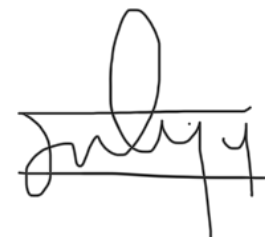
Abdulaziz Bin Muhammad Batarfi

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Khalid Bin Asaad Khashoggi

Managing Director and CEO



Abdullah Bin Odah AlGhobain

Chairman of the Board of Directors

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SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(Expressed in Thousands of Saudi Arabian Riyals)

		For the six-month periods ended as of June 30,	
		2025	2024
	Note	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Profit for the period before zakat and income tax		67,214	18,391
Loss before income tax from discontinued operation		(2,328)	(7,118)
Profit before zakat and income tax		64,886	11,273
Adjustments for:			
Depreciation and amortization		7,082	7,693
Provision for employees' end of service benefits		3,935	2,122
Share of results from associates, net	9	(121,137)	(66,799)
Expected credit losses	24	(1,031)	18,728
Finance cost		592	346
		(45,673)	(26,637)
Changes in operating assets and liabilities:			
Accounts and retentions receivable		(39,758)	(3,020)
Prepaid expenses and other debit balances		2,809	(2,189)
Unbilled contract assets		(153)	(4,219)
Inventories		21,858	(10,424)
Due to related parties		(52,874)	(63)
Accounts payable, accrued expenses and other liabilities		37,208	30,533
Cash flows used in operating activities		(76,583)	(16,019)
Employees' end of service benefits paid		--	(439)
Finance cost paid		(592)	(346)
Net cash used in from operating activities		(77,175)	(16,804)
INVESTING ACTIVITIES			
Additions to property, plant and equipment, and intangible assets	6	(3,275)	(3,200)
Proceeds from sale of investment property		--	19,768
Dividends received from an associate		76,743	1,407
Net cash generated from investing activities		73,468	17,975
FINANCING ACTIVITIES			
Net movement in long and short-term loans		--	--
Net changes in lease liabilities	8	(677)	89
Net cash (used in) / from financing activities		(677)	89
NET MOVEMENT IN CASH AND BANK BALANCES		(4,384)	1,260
Cash and bank balances at the beginning of the period		13,983	7,848
CASH AND BANK BALANCES AT THE END OF THE PERIOD		9,599	9,108
Additional information for non-cash items:			
Employees' benefit obligations transferred to outgoing members		(1,903)	--
Change in hedging reserve		(5,604)	11,705
Movement in foreign-currency translation reserve		(9)	193

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The accompanying notes form an integral part of these interim condensed consolidated financial statements

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(Expressed in Thousands of Saudi Arabian Riyals)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Cable Company (“the Parent Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030009931 dated Rabi Al Thani 27, 1396H, (corresponding to April 27, 1976).

The Group’s (“Parent Company” and its “subsidiaries”) activities comprises manufacturing and supplying electrical and telecommunication cables, copper rod, PVC compounds, wooden reels and related products. The Group is also engaged in the contracting, trading, distribution and supply of cables, electronic products, information technology products and related accessories.

The registered head office of the Parent Company is located at the following address:

Saudi Cable Company
P. O. Box 4403, Jeddah 21491
Kingdom of Saudi Arabia

STRUCTURE OF THE GROUP

These interim condensed consolidated financial statements include assets, liabilities, and the results of the operations of the Parent Company and its following subsidiaries and associates collectively referred to as “the Group”:

Company’s name	Principal activities	Country of incorporation	Percentage of ownership	
			As of June 30, 2025	As of December 31, 2024
			(Unaudited)	(Audited)
Domestic				
Saudi Cable Company for Marketing Limited	Purchase and sale of electrical cables and related products	Saudi Arabia	100%	100%
Mass Projects for Power and Telecommunications Limited	Turnkey power and telecommunication projects	Saudi Arabia	100%	100%
Mass Centres for Distribution of Electrical Products Limited	Electrical and telecommunication distribution service	Saudi Arabia	100%	100%
Cable Advanced Company	Manufacture of insulated wires and cables made of steel, copper, and aluminum.	Saudi Arabia	100%	100%
International				
Saudi Cable Company (U.A.E)	Sale of cables and related products	United Arab Emirates	100%	100%
Saudi Cable for investments company	Investment company	United Arab Emirates	100%	100%
Mass International Trading Company Limited (note b)	International trading	Ireland	100%	100%
Mass Kablo Yatirim Ve Ticaret Anonim Sirketi (note b)	Holding Company (Previously Mass Holding Company)	Turkey	100%	100%
Elimsan Salt Cihazlari ye Eletromekanik San ve Tic. A.S	Manufacturing and distribution of electronicis gears and goods	Turkey	94%	94%
Eliman Metalurji ve Makine San. Ve Tic A.S.	Manufacturing and distribution of electronicis gears and goods	Turkey	100%	100%
Fairhaven Holding Limited	Holding	Seychelles	100%	100%
Kablat Holding Limited	Holding	Malta	100%	100%
Gozo Gayrimenkul Anonim Sirketi	Holding	Turkey	100%	100%
Valleta Gayrimenkul Anonim Sirketi	Holding	Turkey	100%	100%

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(Expressed in Thousands of Saudi Arabian Riyals)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (CONTINUED)

The Group has the following investment in equity accounted investees:

Accosiates:

Midal Cables B.S.C.(c)	Conductors & related products	Bahrain	50%	50%
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The group has the following branches inside and outside Saudi Arabia

Branch	CR number
Saudi Cable Branch – Riyadh	1010037248
Saudi Cable Branch – Khobar	7011228769
Saudi Cable Branch – Bahrain	50152-1
Saudi Cable Branch – Qatar	34948

- a) All subsidiaries and equity accounted investees have the same year-end as the Parent Company.
- b) Some subsidiaries are not operational (dormant).
- c) The Group decided on Shabaan 22, 1445H, corresponding to March 3, 2024, to exit of its investments in Turkey, by disposing of them by sale or in any other way as permitted by Turkish law. As these companies did not achieve the desired returns and continued to achieve losses during the past years despite the solutions and treatments carried out by successive administrations to no avail and strengthening the opinion of local and international legal advisors to support the exiting decision.

Going concern

The Group reported a net profit of SAR 65 million for the six-month period ended June 30, 2025, and the Group's accumulated losses have reached SAR 412 million (2024: SAR 477 million), representing 617% (2024: 714%) of the Group's share capital. Further, the Group current liabilities exceeded its current assets by SAR 881 million as at June 30, 2025 (2024: SAR 907 million). These conditions, along with other matters, cast a significant doubt about the Group's ability to continue as a going concern and its ability to meet its obligations when it becomes due.

The Group's management has prepared an assessment of going concern. The assessment assumes the possibilities of cash injection via rights issue, revenue growth based on pipeline orders and quotations and approval on the proposal of the Financial Restructuring Procedure (FRP). Consequently, the management has concluded that the going concern assumption is valid and has accordingly prepared these interim condensed consolidated financial statements on a going concern basis.

2. BASIS OF PREPARATION

Statement of compliance

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards "IFRS" that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2024

Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and the going concern concept except for the measurement at fair value of derivative financial instruments and Investment classified as fair value through other comprehensive income (FVOCI).

SAUDI CABLE COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(Expressed in Thousands of Saudi Arabian Riyals)

2. BASIS OF PREPARATION (CONTINUED)

Preparation of interim condensed consolidated financial statements

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments, estimates and assumptions were consistent with the Group's annual consolidated financial statements for the year ended December 31, 2024.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals ("SAR") which is the Group's functional and presentation currency.

Material accounting policies

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

Significant accounting judgements, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, were disclosed in annual consolidated financial statements for the year ended December 31, 2024.

3. BASIS OF CONSOLIDATION

These interim-condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as set out in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as that of the parent Company.

Subsidiaries

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. To meet the definition of control, all the following three criteria must be met:

- i) The Group has power over an entity;
- ii) The Group has exposure, or rights, to variable returns from its involvement with the entity; and
- iii) The Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee in case facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The results of subsidiaries acquired or disposed of during the period, if any, are included in the interim condensed consolidated statement of profit or loss and other comprehensive income from the date of the acquisition or up to the date of disposal, as appropriate.

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(Expressed in Thousands of Saudi Arabian Riyals)

3. BASIS OF CONSOLIDATION (CONTINUED)

Non-controlling interests

Non-controlling interests represent the portion of net profit (loss) and net assets of subsidiaries not owned, directly or indirectly, by the Group in its subsidiaries and are presented separately in the interim condensed consolidated statement of profit or loss and other comprehensive income and within equity in the interim condensed consolidated statement of financial position, separately from the Group's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Balances between the Group entities, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Investment in associates and jointly controlled entities

The Group's interest in equity-accounted investee comprises interest in a joint venture and investments in associates.

Associates are entities over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the interim condensed consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

A joint venture is an arrangement in which the Group has joint control whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Equity-accounted value represents the cost plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains / (losses) based on the latest available financial information) less impairment, if any.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in 'share in net profit / (loss) of an associate' in the interim condensed consolidated statement of profit or loss and other comprehensive income.

The previously recognized impairment loss in respect of investment in associate can be reversed through the interim condensed consolidated statement of profit or loss and other comprehensive income, such that the carrying amount of the investment in the interim condensed consolidated statement of financial position remains at the lower of the equity-accounted (before allowance for impairment) or the recoverable amount.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

4. SUMMARY OF CHANGES IN MATERIAL ACCOUNTING POLICES DUE TO NEW STANDARDS

New standards, amendment to standards and interpretations

There are new standards issued and amendments to standards issued which are effective from January 1, 2025, and has been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

5. EARNINGS PER SHARE

Earnings per share for the three and six-month periods ended June 30, 2025, , were calculated by dividing the Net income for each period by weighted average number of shares outstanding during the period.

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6. PROPERTY, PLANT, AND EQUIPMENT

	Buildings	Machinery, equipment, and vehicles	Furniture, fixtures, and office equipment	Capital work in progress	Total
June 30, 2025 (Unaudited)					
<u>Cost</u>					
At the beginning of the period	194,314	685,231	109,202	1,710	990,457
Additions during the period	--	424	107	2,744	3,275
At the end of the period	194,314	685,655	109,309	4,454	993,732
<u>Accumulated depreciation</u>					
At the beginning of the period	159,750	678,687	108,590	--	947,027
Charge for the period	1,540	4,964	102	--	6,606
At the end of the period	161,290	683,651	108,692	--	953,633
Net book value					
June 30, 2025	33,024	2,004	617	4,454	40,099

	Buildings	Machinery, equipment, and vehicles	Furniture, fixtures, and office equipment	Capital work in progress	Total
December 31, 2024 (Audited)					
<u>Cost</u>					
At the beginning of the year	194,448	684,222	109,012	3,038	990,720
Additions during the year	--	1,009	175	--	1,184
Disposal during the year	(134)	--	--	--	(134)
Transfers during the year	--	--	15	(1,328)	(1,313)
At the end of the year	194,314	685,231	109,202	1,710	990,457
<u>Accumulated depreciation</u>					
At the beginning of the year	156,789	668,247	108,375	--	933,411
Charge for the year	3,095	10,440	215	--	13,750
Disposal during the year	(134)	--	--	--	(134)
At the end of the year	159,750	678,687	108,590	--	947,027
Net book value					
December 31, 2024	34,564	6,544	612	1,710	43,430

6.1 Depreciation charge for the period / year has been allocated as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost of goods sold		5,986	12,395
Cost of contract revenue		341	857
General and administrative expenses	22	265	469
Selling and distribution expenses	23	14	29
		6,606	13,750

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7. LEASES

7.1 Right of use assets

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period / year:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Cost</u>		
At the beginning of the period / year	8,136	8,328
Disposals during the period / year	--	(193)
At the end of the period / year	8,136	8,135
<u>Depreciation</u>		
At the beginning of the period / year	5,193	4,338
Charge for the period / year	345	1,001
Disposals during the period/ year	--	(146)
At the end of the period / year	5,538	5,193
Net book value at the end of the period / year	2,598	2,942

The depreciation expense was charged to the consolidated statement of profit and loss within costs of revenue.

7.2 Lease liabilities

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Lease liabilities (a)	3,997	4,674
Less: non -current portion	(2,620)	(2,544)
Lease liability- current portion	1,377	2,130

a) Set out below are the carrying amounts of lease liabilities and the movements during the period / year:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	4,674	6,324
Disposals during the period / year	--	(599)
Unwinding lease liability during the period / year	69	175
Payments made during the period / year	(746)	(1,226)
At the end of the period / year	3,997	4,674
Less: non -current portion	(2,620)	(2,544)
Lease liability- current portion	1,377	2,130

The weighted average incremental borrowing rate applied to lease liabilities was 4.0% (2024: 4.0%).

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7. LEASES (CONTINUED)

7.3 The following are the amounts recognized in Statement of profit or loss

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Depreciation expense of right-of-use assets	345	1,001
Financial charges on lease liabilities	69	175
Total amount recognized in profit or loss	414	1,176

8. INTANGIBLE ASSETS

	Development costs	Rights and Licenses	Total
June 30, 2025 (Unaudited)			
<u>Cost</u>			
At the beginning of the period	27,791	8,070	35,861
At the end of the period	27,791	8,070	35,861
<u>Depreciation</u>			
At the beginning of the period	27,791	6,942	34,733
Charge for the period	--	132	132
At the end of the period	27,791	7,074	34,865
Net book value	--	996	996

	Development costs	Rights and Licenses	Total
December 31, 2024 (Audited)			
<u>Cost</u>			
At the beginning of the year	27,791	6,757	34,548
Transferred from capital work in progress	--	1,313	1,313
At the end of the year	27,791	8,070	35,861
<u>Depreciation</u>			
At the beginning of the year	27,791	6,757	34,548
Charge for the year	--	185	185
At the end of the year	27,791	6,942	34,733
Net book value	--	1,128	1,128

The amortisation expense charged to the consolidated statements of profit or loss within general and administrative expenses.

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9. INVESTMENT IN ASSOCIATES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	486,038	346,564
Share of results, net *	121,137	127,258
Hedging reserve	(5,604)	15,319
Foreign currency translation	(9)	(291)
Dividend received during the period / year	(76,743)	(2,812)
	524,819	486,038

* Share of results of an associate (net) after considering accounting policies differences. Net increase considering those differences is SAR 4.9 thousand (2024: Increase of SAR 117 thousand).

a) Summarized financial information of the associate is as follows:

Midal Cable B.S.C. (C)	Ownership %	Assets	Liabilities	Revenues	Net profit
30 June 2025	50%	2,397,080	1,346,405	2,758,654	242,265
31 December 2024	50%	2,432,213	1,458,649	4,614,233	254,284

b) The Parent Company does not have control over management and operations of "Midal Cables B.S.C.(C)". Accordingly, it is classified as investment in an associate and accounted for as such.

10. ACCOUNTS RECEIVABLE AND RETENTIONS RECEIVABLE

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accounts receivable, net	10.1	83,564	47,091
Retentions receivable, net	10.2	32,444	28,128
		116,008	75,219
Less: non-current retentions receivable		(7,057)	(7,057)
		108,951	68,162

10.1 The accounts receivable, net comprised of as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross accounts receivable		238,699	203,257
Less: allowance for expected credit losses	10.1 a	(155,135)	(156,166)
Accounts receivable, net		83,564	47,091

a) The movement in allowance for expected credit losses against accounts receivable is as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year		156,166	151,288
(Reversal) / charge during the period / year	24	(1,031)	4,878
At the end of the period / year		155,135	156,166

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10. ACCOUNTS RECEIVABLE AND RETENTIONS RECEIVABLE (CONTINUED)

10.2 The retentions receivable, net comprised of:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross Retentions receivable		75,501	71,185
Less: allowance for expected credit losses	10.2 a	(43,057)	(43,057)
Retentions receivable, net		32,444	28,128

a) The movement in allowance for expected credit losses against retentions receivable, net is as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year		43,057	46,236
Reversal during the period / year	24	--	(3,179)
At the end of the period / year		43,057	43,057

11. INVENTORIES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Raw materials	22,475	32,021
Finished goods	21,571	26,012
Work in process	14,402	22,309
Spare parts and wooden reels	31,142	31,106
	89,590	111,448
Less: allowances for slow moving and obsolete inventories	(53,163)	(53,163)
	36,427	58,285

The movement in allowance for slow moving and obsolete inventories are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	53,163	51,556
Transferred to assets classified as held for sale during the period / year	--	(3,509)
Charge during the period / year	--	5,116
At the end of the period / year	53,163	53,163

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12. PREPAID EXPENSES AND OTHER DEBIT BALANCES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Guarantee margins and deposits (a)	4,880	6,442
Advances to suppliers	48,579	50,021
Prepayments	7,923	7,483
Other receivables	2,813	3,058
	64,195	67,004
Provision for prepaid expenses and other debit balances	(21,742)	(21,742)
	42,453	45,262

- a) This amount includes cash deposited amounting to SAR 2.08 million (2024: SAR 1.9 million) with financial institutions to issue guarantees on behalf of the Group.

13. UNBILLED CONTRACT ASSET

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross unbilled contract asset	13.a 18,904	18,751
Less: allowance for expected credit losses	13.b (6,471)	(6,471)
Unbilled contract asset, net	12,433	12,280
This represents projects in Saudi Arabia and outside Saudi Arabia.		

- b) The movement in gross unbilled contract asset is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost incurred plus profit recognized	1,237,560	1,212,236
Less: progress billings	(1,218,656)	(1,193,485)
Unbilled contract asset	18,904	18,751

- c) The movement in allowance for expected credit losses is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	6,471	7,092
Reversal during the period / year	--	(621)
At the end of the period / year	6,471	6,471

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	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Discontinued operation	14.1	--	2,328
Impairment for discontinued operation		--	(2,328)
Discontinued operation, net		--	--
Assets classified held for sale	14.2	927	927
		927	927

14.1 Discontinued operation

The Board of Directors of the Group decided on 22 Shabaan 1445H, corresponding to March 3, 2024, to exit of its investments in Turkey, by disposing of them by sale or in any other way as permitted by Turkish law. As these companies did not achieve the desired returns and continued to achieve losses during the past years despite the solutions and treatments carried out by successive administrations to no avail and strengthening the opinion of local and international legal advisors to support the exiting decision. As of the reporting date, the court proceedings related to the discontinued operations are still ongoing, and no final judgment has been issued. The outcome of these legal proceedings remains outside the control of the Company. Accordingly, management continues to classify the operations as discontinued operations

The statement of profit or loss for discontinued operations is as follows:

	For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	(1,239)	(1,859)
General and administrative expenses	(454)	(318)
Selling and distribution expenses	(6)	(8)
Finance costs, net	(609)	(10,646)
Other losses, net	--	--
Net loss from discontinued operating before tax	(2,328)	(12,831)
Income tax	--	--
Net loss from discontinued operating after tax	(2,328)	(12,831)

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14. DISCONTINUED OPERATION AND ASSETS CLASSIFIED HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities of Mass Kablo Yatirim Ve Ticaret Anonim Sirketi classified as held for sale are, as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>ASSETS</u>		
Property, plant, and equipment, net	154,722	156,050
Investment properties	2,480	2,543
Financial assets at fair value through other comprehensive income	45	45
Inventories	21,437	21,437
Account and retention receivables	614	614
Prepaid expenses and other debit balances	48,039	48,039
Cash and cash equivalents	99	99
TOTAL ASSETS	227,436	228,827
<u>LIABILITIES</u>		
Term loans and borrowings	69,950	60,317
Accounts payable, accrued expenses, other liabilities	157,463	165,953
Employees' benefit obligation	23	229
TOTAL LIABILITIES	227,436	226,499
NET ASSETS DIRECTLY ASSOCIATED WITH DISPOSAL MASS KABLO GROUP	--	2,328

14.2 Assets classified held for sale

The Board of Directors of the Group decided on 1 Safar 1445H, corresponding to August 17, 2023, to sale part of Property, plant, and equipment related to telecommunication and fiber optics plants and waiver the leased lands related to these plants. On August 31, 2023, the company signed agreements with a third party to waiver the above leased lands with total amount SAR 20.7 million and agreement was subject to Modon approval which was received during the prior year ended 31 December 2024.

The following breakdown of the assets classified held for sale:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>ASSETS</u>		
Property, plant, and equipment, net	927	927
TOTAL ASSETS	927	927
TOTAL LIABILITIES	--	--
Assets classified held for sale, net	927	927

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	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in hand	35	39
Cash at banks*	9,564	13,944
	9,599	13,983
Cash and cash equivalents from discontinued operation	99	99
	9,698	14,082

* Included within Cash and cash equivalents is an amount of SAR 10 thousand (December 31, 2024: 10 thousand) which is restricted for use at the option of the Group's management.

16. TERM LOANS AND BORROWINGS

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Loan from a SIDF	16.a	104,290	104,290
Current portion of term loans		104,290	104,290

16.a) The loan from the Saudi Industrial Development Fund ("SIDF"), was restructured in December 2019. The loan is repayable in 5 unequal installments over the period of 3 years starting December 2020 and carries a fee charged biannually. This loan is secured by certain plant buildings and machinery. The Group was in default due to the non-repayment of the loan installments on time. Consequently, the remaining outstanding balance is classified as current liability started from December 31, 2023,. As per the agreement and included in the list of creditors subject to the proposal of the Financial Restructuring Procedure (FRP).

17. EMPLOYEES' BENEFIT OBLIGATIONS

The movement in the provision of employee benefit obligations are summarized below:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	47,172	46,307
Included in statement of profit or loss		
Current service cost	3,935	2,102
Interest cost	--	1,934
	3,935	4,036
Included in statement of other comprehensive income		
Actuarial gain	--	(101)
Benefits paid	--	(3,070)
Benefits payable to outgoing members	(1,903)	--
At the end of the period / year	49,204	47,172

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18. ZAKAT AND INCOME TAX

A. Provision for zakat and income tax

Movement in provision for zakat and income tax is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	264,372	264,372
Charge for the period / year	--	2,099
Amounts paid during the period / year	--	(2,099)
At the end of the period / year	<u>264,372</u>	<u>264,372</u>

B. Charge for the period / year

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Income tax charge	--	2,099
Zakat and income tax charge for the period / year	<u>--</u>	<u>2,099</u>

Zakat computation for the years ended December 31, 2024, and 2023 was based on the financial statements of the Parent Company and its subsidiaries and submitted a combined Zakat return. Foreign subsidiaries are subject to income tax in accordance with the tax laws of the countries of their incorporation.

C. Components of zakat base

In March 2024, The Minister of Finance issue a decision No. (1007) entailing approval of issuing the implementing Regulations of Zakat collection (V. 1445H). The decision clarifies that the regulations shall be effective starting from the financial years beginning on 1 January 2024 and beyond, which illustrate all treatment related to Zakat collection, and facilitate the collection procedures within all business sectors, in a way that contributes to raising Zakat payers' voluntary commitments.

The new implementing Zakat regulations included 128 articles, that provide detailed clarifications of many articles, to include more details that raise awareness about Zakat procedures, and to address the challenges facing Zakat payers.

One of the most notable amendments to the Implementing Regulations for Zakat Collection is the development of the Minimum and the maximum values of Zakat base, so as to preserve the right of Zakat payers of the increased zakat costs.

The issuance of New Implementing Regulations fo Zakat collection is part of ZATCA's endeavor in enhance the efficiency of Zakat and tax laws , streamline compliance, and address the challenges faced by Zakat payers across various business sectors, contribute to raising compliance and commitment achieving financial sustainability and supporting the national economy, as well as its on going endeavor to raise the awareness of all Zakat payers and customers on Zakat, Tax, and customs, provide them with the best possible experience and ensure ease of doing business and facilitating procedures.

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18 . ZAKAT AND INCOME TAX (CONTINUED)

Notably, in January 2025 an amendment extended the application period for certain provisions until April 30, 2025, allowing taxpayers additional time to align with the new requirements. These developments underscore the Kingdom's commitment to refining the Zakat system, ensuring clarity and efficiency for all stakeholders.

D. Assessment status**The Parent Company**

The Company made a final settlement with the Zakat, Tax and Customs Authority (ZATCA) for the years from 2005 to 2012. Resolution issued on January 29, 2020, by the Zakat and Tax Disputes Settlement Committee in the amount of SAR 65.7 million, provided that the due zakat amounts are paid within 30 days from the settlement date mentioned above, and the Company submitted a request for installments for a period of 12 months and it was approved by the Authority in 10 instalments.

The company paid the down payment of 10% of the amount, in addition to 6 payments, and the remaining amount of SAR 22.5 million.

The Company filed the Zakat declaration for the year 2013. ZATCA requested additional information and documents for the purpose of issuing the final assessment.

The ZATCA issued an assessment for the year 2014 with additional zakat liability of SAR 24.2 million. The Parent Company has appealed against the assessment with the Committee for the Settlement of Tax Violations and Disputes. The decision was issued in favor of the Company accepting the objection and the Company has received a copy of the decision. From the decision dated February 17, 2022, the authority appealed the committee's decision, and the committee's decision was upheld.

The ZATCA issued the final assessment for the years from 2015 to 2018 with additional zakat liability of SAR 148 million. It was escalated and filed with the General Secretariat of Zakat, Tax and Customs Committees (GSTC), in which a decision was issued by accepting the objection partially, where the zakat differences amounting to SAR 143 million. The Company filed an appeal against the said GSTC's decision with the Tax Violation and Disputes Resolution Committees (ACTVDR). Then Company submitted a request for settlement of the differences to the Settlement Committee and the offer was received on December 5, 2023, amounting to SAR 103.9 million for these years, where the basic amount is SAR 144.9 million and the reduction is SAR 41 million and included in the list of creditors subject to the proposal of the Financial Restructuring Procedure (FRP).

The Company submitted the financial statements and the zakat declaration for the year 2019 ZATCA, and the legal zakat was paid accordingly, and the Company obtained a final zakat certificate.

The Company submitted the financial statements and the Zakat declaration for the years 2020 to 2023 to ZATCA.

ZATCA issued the final assessment for the years 2019 and 2020 with additional zakat liability of SAR 1.6 million. The Company has reviewed and accepted the final differences as assessed.

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18. ZAKAT AND INCOME TAX (CONTINUED)

The company submitted its financial statements and zakat declaration for 2024, confirming that it has no zakat obligations to the Zakat, Tax, and Customs Authority "ZATCA" due to accumulated losses that resulted a negative shareholder's equity in the financial statements. According to the new regulations 1445H Article "28", the maximum limit in the Zakat declarations is shareholder's equity, which aims to protect the Zakat payer's right to avoid increased zakat costs.

During the previous year the Company received a claim from the Zakat, Tax and Customs Authority for penalties for payment delayed of value-added tax on the due date of that tax, with a total amount of SAR 13.6 million and the due tax has been paid and according to initiative from the zakat and tax authority the penalties have been waived.

Mass Projects for Power & Telecommunications Limited

ZATCA issued an assessment for the years 1999 to 2004 requesting an additional zakat liability of SAR 3.2 million. The company filed an objection to this assessment with ZATCA. ZATCA issued an amended zakat assessment. The company submitted an escalation to GSTC "General Secretariat of the Tax Committees". GSTC issued a decision to reduce the Zakat Liability by SAR 2.1 million. A decision issued to pay SAR 1.5 million to the Authority.

ZATCA issued Zakat assessments for the years from 2005 to 2012, resulting and additional Zakat differences of SAR 34.7 million, withholding tax, and late penalties. The company filed an objection within the legal period, and ZATCA issued a decision partially accepting the objection by reducing the Zakat Liability by SAR 6.9 million. The objection was escalated with the General Secretariat of the Tax Committees.

The company submitted its zakat returns for the years 2013 and 2014, paid the statutory zakat, and obtained a restricted zakat certificate.

ZATCA issued Zakat assessments for the year 2015, resulting in Zakat differences of SAR 7.43 million. The company filed an objection within the legal period, and the Authority issued a decision rejecting the objection entirely. The company then filed an objection with the General Secretariat of the Tax Committees, and a decision was issued rejecting the objection by the First Department for Violations and Tax Disputes. The company appealed this decision to the First Appellate Division for Violations and Income Tax Disputes, and the appeal has been accepted partially.

ZATCA issued Zakat assessment for the year 2016, resulting in Zakat differences of SAR 2.71 million. The Company filed an objection within the legal period, and the Commission issued a decision rejecting the objection entirely. The company then lodged an objection with the General Secretariat of the Tax Disputes Committees, and a decision was issued by accepting the objection partially by the First Circle for Violations and Tax Disputes. The company appealed this decision to the First Appeals Circle for Income Tax Violations and Disputes, and the committee's decision was upheld.

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18. ZAKAT AND INCOME TAX (CONTINUED)

ZATCA issued Zakat assessments for the years from 2017 to 2019, resulting in Zakat differences of SAR 6,98 million. The company filed an objection within the legal period, and the Commission issued a decision rejecting the objection entirely. The company then lodged an objection with the General Secretariat of the Tax Disputes Committees, and a decision was issued rejecting the objection by the First Circle for Violations and Tax Disputes. The company appealed this decision to the First Appeals Circle for Income Tax Violations and Disputes, and the appeal has been rejected.

The Company submitted the financial statements and the Zakat declaration for the years 2020 to 2023 to ZATCA. The assessments for the years 2020 to 2023 are yet to be raised by ZATCA.

During the previous year the Company received a claim from the Zakat, Tax and Customs Authority for penalties for payment delayed of value-added tax on the due date of that tax, with a total amount of SAR 0.89 million and the due tax has been paid and according to initiative from the zakat and tax authority the penalties have been waived.

Saudi Cable Company for Marketing Limited

ZATCA issued the Zakat assessment for the years from 1996 to 2004 with additional zakat liability of SAR 17 million. The Company filed an appeal which is still under review by ZATCA.

The Company filed the financial statements and Zakat declarations for the years 2005 to 2008 with ZATCA. ZATCA has not issued a final assessment for these years up to date.

ZATCA issued a final assessment on the Company for the years from 2009 to 2013, and zakat differences of SAR 1.25 million.

ZATCA issued a final assessment on the Company for the years from 2014 to 2018 with a value of SAR 23 million. The company objected to it and was rejected by the Authority, and the Company filed an appeal with the Committee for the Resolution of Tax Violations and Disputes. The company submitted the objection to the General Secretariat of Tax Committees, and a decision was issued to partially reject the objection by the First Circuit for Resolving Tax Disputes, according to which the zakat differences amounted to approximately SAR 16.5 million. The Authority filed an appeal against this decision with the First Appellate Circuit for income tax violations and disputes, and the result was in favor of the company for the years 2014 and 2015 but for the years 2016 to 2018, the Authority's appeal was accepted.

ZATCA issued an assessment for the Company for the years 2020, 2021 and 2022 with a value of SAR 0.25 million "each".

Assessment for the years 2019 and 2023 has not yet been issued by ZATCA.

The Company submitted the financial statements and the Zakat declaration for the years 2019 to 2023 to ZATCA.

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ZATCA issued the Zakat assessment for the years from 1998 to 2007 with additional Zakat liability of SAR 1 million. The Company filed an appeal with Higher Appeal Committee ("HAC") which has not been decided to date.

The Company filed its Zakat returns for the years 2008 to 2010. The ZATCA did not issue the final Zakat assessment for the said years till to date. The subsidiary is dormant and is in process to file the Zakat returns for the years from 2011 to 2023.

19. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the shareholders, Directors and key management personnel of the Parent Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent Company's management.

Due to related party

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Midal Cables B.S.C.(c)	<u>1,506</u>	<u>54,380</u>
	<u>1,506</u>	<u>54,380</u>

Significant related party transactions as of June 30, 2025, are summarized as below:

Name	Relationship	Nature of transactions	For the six-month period ended June 30,	
			2025 (Unaudited)	2024 (Unaudited)
Midal Cables B.S.C.(c)	Associate	Dividends declared and received	19,454	--
		Board of directors' remuneration	(1,406)	--

a) Remuneration of Board of Directors

Key management includes personnel / executive directors and members of the Board of Directors.

	For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Meeting attendance fees	254	575
Other remuneration	38	354
	<u>292</u>	<u>929</u>

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19. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

b) The compensations of the key management personnel during the year was as follows:

	For the six-month period ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Short-term benefits	240	225
Post-employment benefit	16	12
	256	237

Short-term benefits include the basic salaries, allowances, and other incentives.

Post-employment benefits include the current service cost for the employee benefit obligations.

20. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	June 30, 2025	December 31, 2024
		(Unaudited)	(Audited)
Accounts payable		431,490	418,060
Accrued expenses for employee related obligations		78,113	72,846
Provision for net assets of subsidiaries		8,151	10,479
Accrued finance charges		4,502	3,980
Advances from customers		61,030	43,104
Billing in excess of work performed	20.a	39,004	35,565
Other payables		93,493	92,637
Current portion of retentions payable		3,971	3,972
		719,754	680,643

20.a) This represents billing in excess of work performed related to projects in progress. The amount of SAR 1,820 (31 December 2024: 14,196) has been recognized from the opening balances as revenues during the current period.

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21. REVENUE

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Sale of goods	26,208	5,175	63,617	14,390
Contract revenue	3,983	4,943	10,680	8,300
	30,191	10,118	74,297	22,690

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Primary geographic markets				
Saudi Arabia	26,208	5,175	63,617	14,390
Foreign countries	3,983	4,943	10,680	8,300
	30,191	10,118	74,297	22,690
Major products/service lines				
Sales of cables and goods	26,208	5,175	63,617	14,390
Contract revenues	3,983	4,943	10,680	8,300
	30,191	10,118	74,297	22,690
Timing of revenue recognition				
Revenue recognized at a point in time	26,208	5,175	63,617	14,390
Revenue recognized over time	3,983	4,943	10,680	8,300
	30,191	10,118	74,297	22,690

22. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Salaries and benefits*	15,168	3,099	21,592	7,780
Legal and professional fees	7,715	2,889	7,965	4,003
Repairs and maintenance	602	357	864	2,057
Other	3,133	997	4,650	2,385
	26,618	7,342	35,071	16,225

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23. SELLING AND DISTRIBUTION EXPENSES

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and related benefits	1,278	813	2,337	1,390
Depreciation and amortization	7	--	14	--
Others	50	5	122	62
	1,335	818	2,473	1,452

24. PROVISION FOR EXPECTED CREDIT LOSSES

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Expected credit loss for account receivable of associate	--	--	--	(18,750)
Expected credit loss for accounts and retention receivables	(1,031)	571	(1,031)	1,655
Other receivables	--	1,633	--	(1,633)
	(1,031)	2,204	(1,031)	(18,728)

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25. SIGNIFICANT EVENTS

Further to the previously announced regarding the financial restructuring procedure on January 8, 2025 (8 Rajab 1446 AH), the Court of Appeal issued a ruling on June 25, 2025 (29 Dhul-Hijjah 1446 AH), the content of which is as follows:

First: The ruling of the Fourth Circuit in Jeddah concerning the liability of Waleed Subhi was overturned, as was the annulment of the creditor claims list submission procedure. The court stated in its ruling: “The circuit shall address any claims it deems to have been improperly included in the list, in accordance with the law.”

Second: The dismissal of Waleed Subhi and the appointment of Khalid Hawsawi as the trustee.

Third: The appeal submitted by Nael Fayez (former CEO) was rejected due to lack of legal standing.

Fourth: The company’s request to allow the General Assembly to vote on the Rawafid Al-Mustaqbal contract was denied due to lack of jurisdiction.

The Extraordinary General Assembly (First Meeting) was held on Sunday, 26 Dhul-Hijjah 1446 AH, corresponding to June 22, 2025, during which voting took place on the following:

1- Approval of the rejection of the debt assignment agreement (debt transfer) between Tasmeer Company, Al Rajhi Bank, and Saudi Cable Company. The agreement was rejected with an approval rate of 92.98%.

2- Approval of the rejection of the debt capitalization agreement with Al Rajhi Bank and its conversion into equity shares in favor of Tasmeer Company. The agreement was rejected with an approval rate of 92.95%.

The Board of Directors of the Group recommended Shawal 29, 1445H, corresponding to May 08, 2024, to the Extraordinary General Assembly to increase the capital by offering right issue by SAR 400 million, this increase is subject to Capital Market Authority, and other regulatory authorities’ approvals in addition to Extraordinary General Assembly approval. This increase leads to restructuring and injecting new funds to provide working capital so that the company can increase operational capacity and support its future activity, as part of the proposed financial regulation plan. The Company has appointed Al Bilad Capital as financial advisor for this transaction.

The Board of Directors of the Group decided on 22 Shabaan 1445H, corresponding to March 3, 2024, to exit of its investments in Turkey, by disposing of them by sale or in any other way as permitted by Turkish law. As these companies did not achieve the desired returns and continued to achieve losses during the past years despite the solutions and treatments carried out by successive administrations to no avail and strengthening the opinion of local and international legal advisors to support the exiting decision.

No significant event occurred since the period end of June 30, 2025, and the date of approval of these consolidated financial statements by board of directors that would have a material impact on the financial position or financial performance of the Group, other than stated above.

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26. COMMITMENTS AND CONTINGENCIES

	<u>2025</u>	<u>2024</u>
Letters of Guarantee	1,645	1,645
a) In addition to providing guarantees in respect of bank facilities available to certain subsidiaries, the Parent Company has also provided undertakings to support such subsidiaries in meeting their liabilities as they fall due.		
b) During the previous year, a court in Turkey issued a verdict in favor of Mass Kablo Yatırım ve Tic. A.Ş for a case filed by the minority shareholders of its subsidiary. An appeal against the verdict has been presented by said minority shareholders. However, based on a legal opinion obtained from an independent counsel which is of view that the decision of Court of Appeal will not be different from the original decision issued by court of first instance. In addition, the Group assessed and recorded a contingent liability amounting to SAR 52.5 million. Further the group has taken full provision on net assets of Mass Kablo Yatırım ve Tic. A.Ş.		
c) For Elimsan Group, within the scope of the financial restructuring process the committee of commissioners are currently reconciling the current balances between the Company and the third parties. The process will be completed once the court appointed experts review and finalize the debts owed to those third parties. In order to account for the same, the Group has recognized a contingent liability of SAR 25.50 million as of the reporting date.		
d) Five bank who lent funds to “Elimsan Salt Cihazlari ye Elektromekanik San ve Tic. A.S” have initiated legal action on taking over the lands of the company kept as a mortgage against the loans obtained. The Subsidiary "Mass Kablo Yatirim Ve Ticaret Anonim Sirketi" has made the necessary objections on the legal cases.		
e) “Elimsan Salt Cihazlari ye Elektromekanik San ve Tic. A.S” currently has three bankruptcy cases against for which the final hearing is expected to be held in November 2023. The subsidiary "Mass Kablo Yatirim Ve Ticaret Anonim Sirketi" has made the necessary objections on the legal cases.		

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27. SEGMENTAL INFORMATION

Operating Segment

The Group has the following main business segments:

- Sale of manufactured goods.
- Turnkey power and telecommunication projects (based on the contracts).

These form the basis of internal management reporting of main business segments.

	Sale of goods		Contract revenue		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets	748,323	701,576	38,036	37,918	786,359	739,494
Liabilities	1,072,877	1,084,952	73,650	73,983	1,146,527	1,158,935
Net sales	63,617	17,823	10,680	26,256	74,297	44,079
Net profit (loss)	63,270	50,553	1,616	(1,795)	64,886	48,758

	Sale of goods		Contract revenue		Total	
	June 30,	June 30, 2024	June 30,	June 30, 2024	June 30,	June 30, 2024
	2025		2025		2025	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Assets	748,323	523,940	38,036	120,424	786,359	644,364
Liabilities	1,072,877	758,331	73,650	331,691	1,146,527	1,090,022
Net sales	63,617	14,390	10,680	8,300	74,297	22,690
Net profit (loss)	63,270	6,747	1,616	276	64,886	7,023

Geographic Information

The Group's operations are conducted in Kingdom of Saudi Arabia, Turkey, and others. Selected financial information summarized by geographic area, is as follows:

June 30, 2025 (Unaudited)	Saudi Arabia	Turkey	Other	Total
Assets	785,367	--	992	786,359
Liabilities	1,144,018	--	2,509	1,146,527
Net sales	63,617	--	10,680	74,297
Net profit (loss)	63,270	--	1,616	64,886
June 30, 2024 (Unaudited)	Saudi Arabia	Turkey	Other	Total
Assets	642,960	--	1,404	644,364
Liabilities	1,087,324	--	2,635	1,089,959
Net sales	22,690	--	--	22,690
Net profit (loss)	7,200	--	(177)	7,023
December 31, 2024 (Audited)	Saudi Arabia	Turkey	Other	Total
Assets	738,502	--	992	739,494
Liabilities	1,156,426	--	2,509	1,158,935
Net sales	17,823	--	26,256	44,079
Net profit (loss)	47,837	--	921	48,758

28. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors on Saffar 05, 1447H, (corresponding to July 30, 2025).