



**MIDDLE EAST SPECIALIZED CABLES COMPANY “MESC”
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD
ENDED MARCH 31, 2026 (UNAUDITED)
TOGETHER WITH THE INDEPENDENT AUDITOR’S REPORT**

MIDDLE EAST SPECIALIZED CABLES COMPANY “MESC”

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD MARCH 31, 2026 (UNAUDITED)
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 March 31, 2026, the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month then ended, interim condensed consolidated statements of changes in equity, and interim condensed consolidated statements of cash flows for the three-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)

Thul-Al-Hijjah 1, 1447 H
May 18, 2026



Middle East Specialized Cables (MESC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at **March 31, 2026**



(All amounts are in Saudi Riyals unless otherwise stated)

	Note	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment, net		129,669,577	131,830,357
Intangible assets, net		9,392,239	8,924,137
Right of use assets, net		11,776,634	7,362,723
Investment property		5,885,239	5,962,620
Deferred tax assets		553,797	-
Trade receivable, prepayments and other debit balances, net		45,579,517	47,196,487
Total non-current assets		202,857,003	201,276,324
<u>Current assets</u>			
Inventories, net		380,047,097	340,936,406
Financial instruments - Derivatives		-	10,792,701
Trade receivable, prepayments and other debit balances, net		795,988,195	587,987,395
Due from a related party	8-1	305,540	299,206
Cash and cash equivalents	5	28,456,724	39,541,542
Total current assets		1,204,797,556	979,557,250
TOTAL ASSETS		1,407,654,559	1,180,833,574
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	6	400,000,000	400,000,000
Retained earnings		160,105,865	127,530,863
Reserve for cash flow hedges – effective portion		(3,211,905)	10,110,960
Employee defined benefit obligations remeasurement reserve		1,161,360	1,161,360
Total equity		558,055,320	538,803,183
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Long term loans – non-current portion	7-1	38,182,507	40,294,059
Lease liability – non-current portion		9,914,121	6,312,213
Employees' defined benefits obligations		27,991,816	27,009,317
Deferred tax liability		-	681,741
Total non-current liabilities		76,088,444	74,297,330
<u>Current liabilities</u>			
Long term loans – current portion	7-1	11,242,931	11,242,931
Short-term loans and bank facilities	7-2	202,333,732	124,484,900
Financial instruments - Derivatives		3,765,702	-
Trade payable, accruals, and other credit balances		522,849,282	399,801,529
Due to a related party	8-2	3,613,859	3,340,754
Lease liability – current portion		1,119,702	1,352,344
Provision for zakat and income tax - current portion		28,585,587	27,510,603
Total current liabilities		773,510,795	567,733,061
Total liabilities		849,599,239	642,030,391
TOTAL EQUITY AND LIABILITIES		1,407,654,559	1,180,833,574

The accompanying notes from (1) to (14) 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 PERIOD ENDED MARCH 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)



	Note	For the three-month period ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
Sales revenue	11	462,470,381	339,001,527
Cost of sales		(385,815,936)	(288,710,184)
Gross profit		76,654,445	50,291,343
Selling and marketing expenses		(12,987,756)	(7,802,066)
General and administrative expenses		(18,374,240)	(14,172,817)
Impairment loss on trade receivable		(1,125,000)	(645,000)
Operating profit		44,167,449	27,671,460
Finance cost		(7,362,314)	(4,252,185)
Other income		61,104	30,224
Profit before zakat and income tax for the period		36,866,239	23,449,499
Zakat and income tax expense		(4,291,237)	(4,249,276)
Net profit for the period		32,575,002	19,200,223
<u>Other comprehensive income</u>			
Item of other comprehensive income that may be subsequently reclassified to profit or loss:			
Unrealized (loss) gain of cash flow hedge – net off tax		(13,322,865)	7,188,120
Total other comprehensive income for the period		(13,322,865)	7,188,120
Total comprehensive income for the period		19,252,137	26,388,343
<u>Earnings per share</u>			
Basic and diluted earnings per share from net profit for the period (SAR / Share)	9	0.81	0.48

The accompanying notes from (1) to (14) form an integral part of these interim condensed consolidated financial statements.

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Middle East Specialized Cables (MESC)

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**

(All amounts are in Saudi Riyals unless otherwise stated)



	<u>Share capital</u>	<u>Retained earnings</u>	<u>Reserve for cash flow hedges</u>	<u>Employee defined benefit obligations remeasurement reserve</u>	<u>Total equity</u>
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	-	19,200,223	-	-	19,200,223
Other comprehensive income for the period	-	-	7,188,120	-	7,188,120
Total comprehensive income for the period	-	19,200,223	7,188,120	-	26,388,343
Balance as at March 31, 2025 (Unaudited)	400,000,000	85,067,996	5,390,492	183,360	490,641,848
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	-	32,575,002	-	-	32,575,002
Other comprehensive loss for the period	-	-	(13,322,865)	-	(13,322,865)
Total comprehensive income for the period	-	32,575,002	(13,322,865)	-	19,252,137
Balance as at March 31, 2026 (Unaudited)	400,000,000	160,105,865	(3,211,905)	1,161,360	558,055,320

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The accompanying notes from (1) to (14) 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 THREE-MONTH PERIOD ENDED MARCH 31, 2026**

(All amounts are in Saudi Riyals unless otherwise stated)



	For the three-month period ended March 31	
	2026	2025
Note	Unaudited	Unaudited
Cash flows from operating activities:		
Profit before zakat and income tax expense for the period	36,866,239	23,449,499
Adjustments for non-cash items:		
Depreciation and amortization	5,130,679	5,052,688
Amortization of right of use assets	630,712	178,503
Impairment loss in value of property, plant, and equipment	303,321	208,066
Impairment loss / (Reversal) in value of inventory	15,364,971	(450,952)
Impairment loss in value of trade receivable and retention receivables	6,291,188	1,070,000
Finance cost	7,362,314	4,252,185
Employees defined benefits obligations expenses of the period	1,801,934	977,720
	<u>73,751,358</u>	<u>34,737,709</u>
Changes in working capital:		
Inventories	(54,475,662)	(47,996,351)
Trade receivables, prepayment, and other debit balances	(212,675,018)	(46,594,989)
Due to (from) related Parties	266,771	(28,703)
Trade payable, accruals, and other credit balances	120,718,779	48,864,458
Employee defined benefits obligations paid	(819,435)	(297,436)
Zakat and income tax paid	(3,216,253)	(3,216,252)
Net cash flows used in operating activities	<u>(76,449,460)</u>	<u>(14,531,564)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,035,513)	(2,495,347)
Purchase of intangible assets	(628,428)	-
Net cash flows used in investing activities	<u>(3,663,941)</u>	<u>(2,495,347)</u>
Cash flows from financing activities:		
Proceeds from short-term loans and bank facilities	311,890,426	147,278,660
Repayment of short-term loans and bank facilities	7-2 (234,041,594)	(99,856,628)
Repayment of long-term loans	7-1 (2,111,552)	-
Finance cost paid	(4,842,708)	(4,323,784)
Payment of lease liabilities	(1,865,989)	(60,426)
Net cash flows resulted from financing activities	<u>69,028,583</u>	<u>43,037,822</u>
Net change in cash and cash equivalents	(11,084,818)	26,010,911
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	<u>5 28,456,724</u>	<u>45,287,005</u>
Supplementary information for non-cash transactions:		
Additions to right of use assets and lease liabilities	5,044,623	-
Un-realized (gain) loss from cash flow hedge	(13,322,865)	7,188,120

The accompanying notes from (1) to (14) form an integral part of these interim condensed consolidated financial statements.

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Middle East Specialized Cables (MESC)

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(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 sector 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 has the following branches:

Commercial Name – City	Commercial Register Number	Date of Commercial Register
Middle East Specialized Cables Company MESC- Khobar Branch	2051023224	March 15, 1999
Middle East Specialized Cables Company MESC- Jeddah Branch	4030126555	March 7, 1999

The Company had the following subsidiary and investments as at March 31, 2026

Subsidiary/ Investments	Legal status	Legal ownership %		Country of Incorporation
		March 31, 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 Reports) 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 three-month period ended March 31, 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).

Middle East Specialized Cables (MESC)

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(All amounts are in Saudi Riyals unless otherwise stated)



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.

New Standards, Amendment to Standards and Interpretations:

The Group has not adopted any new standards, interpretations or amendments that have been issued and are effective from January 1, 2026, and has been explained in Group’s annual consolidated financial statements, as they do not have a material impact on the group’s interim condensed consolidated financial statements. Material accounting policies are the same as those applied in Group’s annual consolidated financial statements.

5. CASH AND CASH EQUIVALENTS

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash at banks	28,128,005	39,244,340
Cash on hand	328,719	297,202
	28,456,724	39,541,542

6. SHARE CAPITAL

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
The Company has 40 million ordinary shares issued as at March 31, 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).

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Total loans	49,425,438	51,536,990
Less: current portion included in current liabilities	(11,242,931)	(11,242,931)
Non-current portion included in non-current liabilities	38,182,507	40,294,059

(All amounts are in Saudi Riyals unless otherwise stated)

7. LOANS (Continued)

7-1 Long-term loans (Continued)

The movement of long-term loans is as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	51,536,990	-
Proceeds during the year	-	51,536,990
Paid during the period / year	(2,111,552)	-
Balance at the end of the period / year	49,425,438	51,536,990

7-2 Short-term loans and bank facilities

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Bank facilities	142,347,794	98,984,900
Bank Borrowing	59,985,938	25,500,000
	202,333,732	124,484,900

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

	March 31, 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	311,890,426	678,483,214
Paid during the period / year	(234,041,594)	(639,687,026)
Balance at the end of the period / year	202,333,732	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.

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 three -month period ended	
			March 31, (Unaudited)	
			2026	2025
Middle East Fiber Cables	Affiliate	Sales of goods	42,550	-
		Purchases	3,800,962	45,794
Contractors Services Co.	Affiliate	Sales of goods	-	136,139
Water and Environmental Co. LTD.	Affiliate	Purchases	416	-

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

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
8-1 Due from a related party:		
Water and Environmental Co. LTD.	305,540	299,206
	305,540	299,206
8-2 Due to a related party:		
Middle East Fiber Cables	3,613,859	3,340,754
	3,613,859	3,340,754

Middle East Specialized Cables (MESC)

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**

(All amounts are in Saudi Riyals unless otherwise stated)

**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 March 31, 2026 has been calculated on the basis of the weighted average number of shares outstanding during the period amounting to 40,000,000 shares (March 31, 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 March 31 (Unaudited)	
	2026	2025
Net profit for the period	32,575,002	19,200,223
Weighted average number of shares	40,000,000	40,000,000
Basic and diluted earnings per share from net profit for the period (SAR / Share)	0.81	0.48

10. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had capital commitments of SAR 14 million (December 31, 2025: SAR 14 million) and contingencies in the form of letters of credit and guarantees of SAR 323 million (December 31, 2025: SAR 279 million) at the reporting date.

11. SEGMENT INFORMATION AND GEOGRAPHICAL INFORMATION

The Company operates in two operating segments in Saudi Arabia and UAE. Management monitors the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment. The directors of the Company 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 three-month period ended March 31,
(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	262,787,524	35,863,242	203,559,523	23,196,642
United Arab Emirates	255,051,906	8,220,732	167,608,033	4,020,873
Intersegment elimination	<u>(55,369,049)</u>	<u>(7,217,735)</u>	<u>(32,166,029)</u>	<u>(3,768,016)</u>
	462,470,381	36,866,239	339,001,527	23,449,499
	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
Segment total assets and total liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities
Saudi Arabia	1,010,172,760	451,839,098	878,272,759	345,821,674
United Arab Emirates	649,228,334	561,542,580	502,681,016	412,370,651
Intersegment elimination	<u>(251,746,535)</u>	<u>(163,782,439)</u>	<u>(200,120,201)</u>	<u>(116,161,934)</u>
	1,407,654,559	849,599,239	1,180,833,574	642,030,391

Middle East Specialized Cables (MESC)

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDTED) FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(All amounts are in Saudi Riyals unless otherwise stated)



11. SEGMENT INFORMATION AND GEOGRAPHICAL INFORMATION (Continued)

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.

12. COMPARATIVE FIGURES

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

13. 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

14. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were being approved on Thul-Qi'dah 23, 1447H (Corresponding to May 10, 2026).