

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 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 Nine-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 these 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 38 million as of September 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 perform 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 up to the date of our review of the accompanying interim condensed consolidated financial statements as of September 30, 2025, the Management is continuing to evaluate the indicators and assumptions used in the previous study and has appointed another independent valuer during the period; however, the impairment assessment has not been finalized as of the date of this report. Accordingly, we were unable to determine the recoverable amount of those assets, whether any impairment loss should be recognized, or the potential financial impact on the accompanying 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 September 30, 2025, the Group reported a net profit of SAR 102 million (September 30, 2024: net profit of SAR 43 million), and the Group's accumulated losses have reached SAR 375 million (December 31, 2024: SAR 477 million), representing 562% (2024: 714 %) of the Group's share capital. Further, the Group current liabilities exceeded its current assets by SAR 868 million as at September 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 regard, management has prepared a five-year forecast indicating a net profit beginning in 2025. The plan includes certain assumptions related to the injection of cash through the issuance of equity instruments. An application for right issue has been submitted to the Capital Market Authority and is still under review. The plan also includes revenue growth assumptions based on future orders and tenders, as well as the approval of creditors and shareholders on the proposed financial restructuring plan. These elements represent future events and therefore involve inherent uncertainty regarding their outcomes. Our conclusion has not been 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 regard, 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)

November 10, 2025
Jumada I 19, 1447H



SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2025
(Expressed in Thousands of Saudi Arabian Riyals)

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	6	37,708	43,430
Right of use assets	7.1	2,423	2,942
Intangible assets	8	930	1,128
Investment in associates	9	562,589	486,038
Accounts receivable and retentions receivable – non-current	10	6,264	7,057
TOTAL NON-CURRENT ASSETS		609,914	540,595
CURRENT ASSETS			
Accounts receivable and retentions receivable (Net) – current	10	86,822	68,162
Inventories (Net)	11	34,612	58,285
Prepaid expenses and other debit balances	12	45,373	45,262
Unbilled contract asset	13	15,907	12,280
Assets classified held for sale and discontinued operation	14	--	927
Cash and cash equivalents	15	7,339	13,983
TOTAL CURRENT ASSETS		190,053	198,899
TOTAL ASSETS		799,967	739,494
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,729	66,729
Effective Porting of cashflow hedges reserve		13,129	9,368
Foreign currency translation reserve		(6,541)	(6,550)
Employees' benefit obligation reserve		(12,231)	(12,231)
Accumulated losses		(375,090)	(476,757)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		(314,004)	(419,441)
Non-controlling interest		--	--
NET EQUITY		(314,004)	(419,441)
NON-CURRENT LIABILITIES			
Retentions payable		3,404	3,404
Employees' benefit obligations	17	49,709	47,172
Lease liabilities – non-current portion	7.2	2,649	2,544
TOTAL NON-CURRENT LIABILITIES		55,762	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	678,457	680,643
Due to related parties	19	9,859	54,380
Lease liabilities – current portion	7.2	1,231	2,130
TOTAL CURRENT LIABILITIES		1,058,209	1,105,815
TOTAL LIABILITIES		1,113,971	1,158,935
TOTAL EQUITY AND LIABILITIES		799,967	739,494

Abdulaziz Bin Muhammad Batarli

Chief Financial Officer

Khalid Bin Asaad Khashoggi

Managing Director and CEO

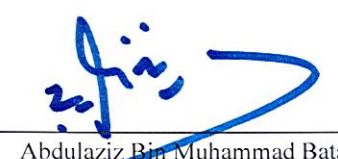
Abdullah Bin Odah AlGhobain

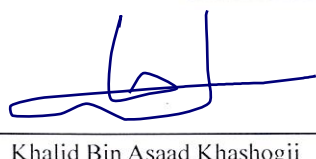
Chairman of the Board of Directors

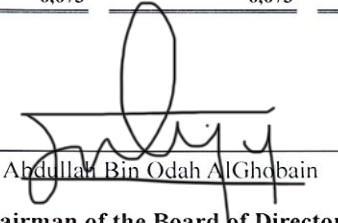
The accompanying notes form an integral part of these interim condensed consolidated financial statements

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(Expressed in Thousands of Saudi Arabian Riyals)

		For the three months ended September 30,		For the nine months ended September 30,	
		2025	2024	2025	2024
	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continued operation					
Revenue & Sales	21	38,974	7,271	113,271	29,961
Cost of revenue & Sales		(44,954)	(13,709)	(138,127)	(55,963)
GROSS LOSS		(5,980)	(6,438)	(24,856)	(26,002)
General and administrative expenses	22	(13,333)	(10,997)	(48,404)	(27,222)
Selling and distribution expenses	23	(1,239)	(1,134)	(3,712)	(2,586)
Reversal for expected credit losses	24	-	18,728	1,031	--
OPERATING (LOSS)/PROFIT FOR THE PERIOD		(20,552)	159	(75,941)	(55,810)
Finance costs, net		(268)	(44)	(860)	(390)
Share of result from an associate		58,865	35,849	180,002	102,648
Reversal of provision of net assets of subsidiaries		-	5,713	2,328	12,831
Other (losses) / gains, net		(1,264)	(20)	(1,534)	769
PROFIT BEFORE ZAKAT AND INCOME TAX		36,781	41,657	103,995	60,048
Zakat and income tax	18	-	-	-	(4,250)
PROFIT FOR THE PERIOD FROM CONTINUED OPERATION		36,781	41,657	103,995	55,798
Discontinued operation					
Net loss from discontinued operating after tax	14	-	(5,713)	(2,328)	(12,831)
PROFIT FOR THE PERIOD		36,781	35,944	101,667	42,967
OTHER COMPREHENSIVE INCOME:					
Items that are or may be reclassified subsequently to profit or loss					
Change in foreign currency translation reserve		18	(311)	9	(118)
Effective Porting of cashflow hedges		9,365	695	3,761	12,400
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		46,164	36,328	105,437	55,249
Profit for the period attributable to					
Parent Company shareholders		36,781	35,944	101,667	42,967
Non-controlling interests		--	--	--	--
		36,781	35,944	101,667	42,967
Total comprehensive profit attributable to					
Parent Company shareholders		46,164	36,328	105,437	55,249
Non-controlling interests		--	--	--	--
		46,164	36,328	105,437	55,249
Earnings / (loss) per share (basic and diluted):					
Basic and diluted earnings per share from Continuing operations		5.51	6.24	15.58	8.36
Basic and diluted losses per share from discontinuing operations		-	(0.86)	(0.35)	(1.92)
Number of Shares		6,673	6,673	6,673	6,673


Abdulaziz Bin Muhammad Batarfi
Chief Financial Officer


Khalid Bin Asaad Khashoggi
Managing Director and CEO



Abdullah Bin Odah AlGhobain
Chairman of the Board of Directors

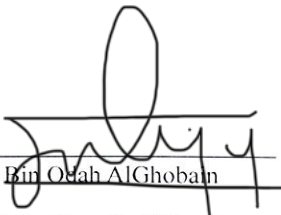
SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(Expressed in Thousands of Saudi Arabian Riyals)

	Share capital	Effective Porting of cashflow hedges 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)	--	--	--	--	42,967	42,967	--	42,967
Other comprehensive income	--	12,400	(118)	--	--	12,282	--	12,282
Total comprehensive income	--	12,400	(118)	--	42,967	55,249	--	55,249
Balance as of September 30, 2024	66,729	6,449	(6,377)	(12,332)	(463,799)	(409,330)	--	(409,330)
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)	--	--	--	--	101,667	101,667	--	101,667
Other comprehensive income	--	3,761	9	--	--	3,770	--	3,770
Total comprehensive income	--	3,761	9	--	101,667	105,437	--	105,437
Balance as of September 30, 2025	66,729	13,129	(6,541)	(12,231)	(375,090)	(314,004)	--	(314,004)


Abdulaziz Bin Muhammad Batarfi
Chief Financial Officer


Khalid Bin Asaad Khashoggi
Managing Director and CEO


Abdullah Bin Othman AlGhobain
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 CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

(Expressed in Thousands of Saudi Arabian Riyals)

		For the nine-month periods ended as of September 30,	
	Note	2025 (Unaudited)	2024 (Unaudited)
OPERATING ACTIVITIES			
Profit for the period before zakat and income tax		103,995	60,048
Loss before income tax from discontinued operation		(2,328)	(12,831)
Profit before zakat and income tax		101,667	47,217
Adjustments for:			
Depreciation and amortization		10,136	11,442
Provision for benefit obligation (Provided)		4,440	3,596
Share of results from associates, net	9	(180,002)	(102,648)
Loss on disposal of Assets held for sale		927	--
Expected credit losses	24	(1,031)	--
Finance cost		860	390
		(63,003)	(40,003)
Changes in operating assets and liabilities:			
Accounts and retentions receivable		(16,836)	(8,066)
Prepaid expenses and other debit balances		(211)	(4,732)
Unbilled contract assets		(3,627)	(2,203)
Inventories		23,673	(14,829)
Due to related parties		(44,519)	(1,403)
Accounts payable, accrued expenses and other liabilities		(3,991)	50,820
Cash flows used in operating activities		(108,514)	(20,416)
Employees benefit obligation (Paid)		--	(653)
Finance cost paid		(860)	(390)
Net cash used in from operating activities		(109,374)	(21,459)
INVESTING ACTIVITIES			
Additions to property, plant and equipment, and intangible assets	6	(3,697)	(3,627)
Proceeds from sale of investment property		--	19,769
Dividends received from an associate	9	107,221	2,109
Net cash generated from investing activities		103,524	18,251
FINANCING ACTIVITIES			
Net changes in lease liabilities	7	(794)	132
Net cash (used in) / generated from financing activities		(794)	132
NET MOVEMENT IN CASH AND BANK BALANCES		(6,644)	(3,076)
Cash and bank balances at the beginning of the period		13,983	7,848
CASH AND BANK BALANCES AT THE END OF THE PERIOD		7,339	4,772
Additional information for non-cash items:			
Transfer from Employees' benefit obligations to accrued expenses		(1,903)	--
Change in Effective Porting of cashflow hedges		3,761	12,400
Movement in foreign currency translation reserve		9	(118)

Abdulaziz Bin Muhammad Batarfi

Chief Financial Officer

Khalid Bin Asaad Khashoggi

Managing Director and CEO

Abdullah Bin Odah AlGhobain

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)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 30, 2025 (Unaudited)	As of December 31, 2024 (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%	--
International				
Saudi Cable Company (U.A.E)	Sale of cables and related products	United Arab Emirates	100%	100%
Saudi Cable for invstments company	Investment company	United Arab Emirates	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 Eletromeanik San ve Tic. A.S	Manufacturing and distribution of electronis gears and goods	Turkey	94%	94%
Eliman Metalurji ve Makine San. Ve Tic A.S.	Manufacturing and distribution of electronis 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 for Marketing Limited	Sale and trade of industrial chemicals, general trading, construction of utility projects, and electrical installations.	Bahrain	100%	--

SAUDI CABLE COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 – Qatar	34948

- All subsidiaries and equity accounted investees have the same year-end as the Parent Company.
- Some subsidiaries are not operational (dormant).
- 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 101,7 million for the nine-month period ended September 30, 2025, and the Group's accumulated losses have reached SAR 375 million (2024: SAR 476.8 million), representing 562% (2024: 714%) of the Group's share capital. Further, the Group current liabilities exceeded its current assets by SAR 868 million as at September 30, 2025 (2024: SAR 907 million). These conditions, along with other matters, cast 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 a going concern assessment, which assumes that cash inflows are expected to be generated through the issuance of equity instruments. On 29 Shawwal 1445H (corresponding to May 8, 2024), the Group's Board of Directors recommended to the Extraordinary General Assembly to increase the Company's share capital through a rights issue of SAR 400 million. This capital increase is subject to the approval of the Capital Market Authority and other regulatory bodies, in addition to the approval of the Extraordinary General Assembly. The Company has appointed Albilad Capital as the financial advisor and underwriter for this transaction. The proposed capital increase aims to restructure the Company's capital and inject new funds to provide working capital that would enable the Company to enhance its operational capacity and support its future activities as part of the proposed financial restructuring plan. Albilad Capital, acting as the financial advisor, has prepared and submitted the related file to the Capital Market Authority for review. The management's going concern assessment also considers anticipated revenue growth based on expected future orders and tenders, and the anticipated approval of the proposed financial restructuring plan. Based on these considerations, management has concluded that the going concern assumption remains appropriate, and therefore, the accompanying condensed consolidated interim financial statements have been prepared on a going concern basis.

SAUDI CABLE COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025****(Expressed in Thousands of Saudi Arabian Riyals)**

2. BASIS OF PREPARATION**Statement of compliance**

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” 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).

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.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

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

(Expressed in Thousands of Saudi Arabian Riyals)

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.

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 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.

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.

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3. BASIS OF CONSOLIDATION (CONTINUED)

Investment in associates and jointly controlled entities (CONTINUED)

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 recognition of impairment may be limited to the Group's share of the associate's capital, unless the Group has provided unsecured loans to the associate, in which case the full impairment may be recognized.

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 Nine-month periods ended September 30, 2025, , were calculated by dividing the Net profit from continued and discontinued operations 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
September 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	--	824	129	2,744	3,697
At the end of the period	194,314	686,055	109,331	4,454	994,154
<u>Accumulated depreciation</u>					
At the beginning of the period	159,750	678,687	108,590	--	947,027
Charge for the period	2,298	6,966	155	--	9,419
At the end of the period	162,048	685,653	108,745	--	956,446
Net book value as of September 30, 2025	32,266	402	586	4,454	37,708
	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 as of 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	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost of goods sold		8,461	12,395
Cost of contract revenue		541	857
General and administrative expenses	22	397	469
Selling and distribution expenses	23	20	29
		9,419	13,750

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Cost</u>		
At the beginning of the period / year	8,135	8,328
Disposals during the period / year	--	(193)
At the end of the period / year	8,135	8,135
<u>Depreciation</u>		
At the beginning of the period / year	5,193	4,338
Charge for the period / year	519	1,001
Disposals during the period / year	--	(146)
At the end of the period / year	5,712	5,193
Net book value at the end of the period / year	2,423	2,942

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

7.2 Lease liabilities

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Lease liabilities (a)	3,880	4,674
Less: non -current portion	(2,649)	(2,544)
Lease liability- current portion	1,231	2,130

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

	September 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	105	175
Payments made during the period / year	(899)	(1,226)
At the end of the period / year	3,880	4,674
Less: non -current portion	(2,649)	(2,544)
Lease liability- current portion	1,231	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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Depreciation expense of right-of-use assets	519	1,001
Finance charges on lease liabilities	105	175
Total amount recognized in profit or loss	<u>624</u>	<u>1,176</u>

8. INTANGIBLE ASSETS

	Development costs	Rights and Licenses	Total
September 30, 2025 (Unaudited)			
<u>Cost</u>			
At the beginning of the period	27,791	8,070	35,861
At the end of the period	<u>27,791</u>	<u>8,070</u>	<u>35,861</u>
<u>Depreciation</u>			
At the beginning of the period	27,791	6,942	34,733
Charge for the period	--	198	198
At the end of the period	<u>27,791</u>	<u>7,140</u>	<u>34,931</u>
Net book value	<u>--</u>	<u>930</u>	<u>930</u>

	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	<u>27,791</u>	<u>8,070</u>	<u>35,861</u>
<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	<u>27,791</u>	<u>6,942</u>	<u>34,733</u>
Net book value	<u>--</u>	<u>1,128</u>	<u>1,128</u>

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	486,038	346,564
Share of results, net *	180,002	127,258
Hedging reserve	3,761	15,319
Foreign currency translation	9	(291)
Dividend received during the period / year	(107,221)	(2,812)
	<u>562,589</u>	<u>486,038</u>

* Share of results of an associate (net) after considering accounting policies differences. Net increase considering those differences is SAR 33 thousand (2024: Increase of SAR 116 thousand).

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

Midal Cable B.S.C. (C)	Ownership %	Assets	Liabilities	Revenues	Net profit
30 September 2025	50%	2,590,349	1,462,722	4,269,319	359,938
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.

c) The Group’s share of results for the period, based on the management accounts of Midal Cable B.S.C. (C).

10. ACCOUNTS RECEIVABLE AND RETENTIONS RECEIVABLE

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accounts receivable, net	10.1	61,570	47,091
Retentions receivable, net	10.2	31,516	28,128
		<u>93,086</u>	<u>75,219</u>
Less: non-current retentions receivable		(6,264)	(7,057)
		<u>86,822</u>	<u>68,162</u>

10.1 The accounts receivable, net comprised of as follows:

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross accounts receivable		216,705	203,257
Less: allowance for expected credit losses	10.1 a	(155,135)	(156,166)
Accounts receivable, net		<u>61,570</u>	<u>47,091</u>

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

	Note	September 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		<u>155,135</u>	<u>156,166</u>

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10. ACCOUNTS RECEIVABLE AND RETENTIONS RECEIVABLE (CONTINUED)

10.2 The retentions receivable, net comprised of:

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross Retentions receivable		74,573	71,185
Less: allowance for expected credit losses	10.2 a	(43,057)	(43,057)
Retentions receivable, net		31,516	28,128

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

	Note	September 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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Raw materials	25,462	32,021
Finished goods	16,989	26,012
Work in process*	14,197	22,309
Spare parts and wooden reels	31,127	31,106
	87,775	111,448
Less: allowances for slow moving and obsolete inventories	(53,163)	(53,163)
	34,612	58,285

* During the period, the Company wrote off SAR 14 million of work in process, which was recognized in the cost of goods sold.

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

	September 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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Guarantee margins and deposits (a)	4,873	6,442
Advances to suppliers	51,416	50,021
Prepayments	7,935	7,483
Other receivables	2,891	3,058
	67,115	67,004
Provision for prepaid expenses and other debit balances	(21,742)	(21,742)
	45,373	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

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross unbilled contract asset	13.a	22,378	18,751
Less: allowance for expected credit losses	13.b	(6,471)	(6,471)
Unbilled contract asset, net		15,907	12,280

This represents projects in Saudi Arabia and outside Saudi Arabia.

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost incurred plus profit recognized	1,255,106	1,212,236
Less: progress billings	(1,232,728)	(1,193,485)
Unbilled contract asset	22,378	18,751

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

	September 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	September 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

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 Group did not incur losses in excess of its share of the subsidiary capital..

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

	For the nine-month period ended September 30, 2025 2024 (Unaudited) (Unaudited)	
Cost of revenue	(1,264)	(1,859)
General and administrative expenses	(482)	(318)
Selling and distribution expenses	(7)	(8)
Finance costs, net	(575)	(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:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>ASSETS</u>		
Property, plant, and equipment, net	154,059	156,050
Investment properties	2,450	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	226,743	228,827
<u>LIABILITIES</u>		
Term loans and borrowings	71,425	60,317
Accounts payable, accrued expenses, other liabilities	155,089	165,953
Employees' benefit obligation	229	229
TOTAL LIABILITIES	226,743	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:

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

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	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in hand	155	39
Cash at banks	7,184	13,944
	7,339	13,983
Cash and cash equivalents from discontinued operation	99	99
	7,438	14,082

16. TERM LOANS AND BORROWINGS

	Note	September 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:

	September 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	4,440	2,102
Interest cost	--	1,934
	4,440	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 *	49,709	47,172

* The Group evaluates employees' benefit obligations using actuarial assumptions at the end of each year.

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

	September 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

	September 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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Midal Cables B.S.C.(c)	9,859	54,380
	9,859	54,380

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

Name	Relationship	Nature of transactions	For the nine-month period ended September 30, 2025 (Unaudited)	2024 (Unaudited)
Midal Cables B.S.C.(c)	Associate	Dividends declared and received	30,625	--
		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 nine Months.

	For the nine-month period ended September 30, 2025 (Unaudited)	2024 (Unaudited)
Meeting attendance fees	408	575
Other remuneration	6,504	354
	6,912	929

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19. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

b) The compensations of the key management personnel during the period were as follows:

	For the nine-month period ended September 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Short-term benefits	7,755	225
Post-employment benefit	864	12
	8,619	237

Short-term benefits include the basic salaries, allowances, Bonus and other incentives for nine months.
Post-employment benefits include the current service cost for the employee benefit obligations.

20. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

		September 30, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
Accounts payable		387,008	418,060
Accrued expenses for employee related obligations		81,455	72,846
Provision for net assets of subsidiaries		8,151	10,479
Accrued finance charges		4,676	3,980
Advances from customers		66,454	43,104
Billing in excess of work performed	20.a	33,544	35,565
Other payables		93,198	92,637
Current portion of retentions payable		3,971	3,972
		678,457	680,643

20.a) This represents billing in excess of work performed related to projects in progress. The amount of SAR 1,935 (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 September 30,		For the nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sale of goods	21,797	2,347	85,414	16,737
Contract revenue	17,177	4,924	27,857	13,224
	<u>38,974</u>	<u>7,271</u>	<u>113,271</u>	<u>29,961</u>

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 September 30,		For the nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Primary geographic markets				
Saudi Arabia	21,797	2,347	85,414	16,737
Foreign countries	17,177	4,924	27,857	13,224
	<u>38,974</u>	<u>7,271</u>	<u>113,271</u>	<u>29,961</u>
Major products/service lines				
Sales of cables and goods	21,797	2,347	85,414	16,737
Contract revenues	17,177	4,924	27,857	13,224
	<u>38,974</u>	<u>7,271</u>	<u>113,271</u>	<u>29,961</u>
Timing of revenue recognition				
Revenue recognized at a point in time	21,797	2,347	85,414	16,737
Revenue recognized over time	17,177	4,924	27,857	13,224
	<u>38,974</u>	<u>7,271</u>	<u>113,271</u>	<u>29,961</u>

22. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and benefits*	9,084	7,612	30,676	15,392
Legal and professional fees	2,638	313	10,603	4,316
Repairs and maintenance	347	135	1,211	2,192
Other	1,264	2,937	5,914	5,322
	<u>13,333</u>	<u>10,997</u>	<u>48,404</u>	<u>27,222</u>

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23. SELLING AND DISTRIBUTION EXPENSES

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and related benefits	1,154	1020	3,491	2,410
Depreciation and amortization	6	22	20	22
Others	79	92	201	154
	<u>1,239</u>	<u>1,134</u>	<u>3,712</u>	<u>2,586</u>

24. PROVISION FOR EXPECTED CREDIT LOSSES

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Reversal of Expected credit loss for account receivable of associate	--	(18,746)	--	--
Reversal of Expected credit loss for accounts and retention receivables	--	18	(1,031)	1,633
Other receivables	--	--	--	(1,633)
	<u>--</u>	<u>(18,728)</u>	<u>(1,031)</u>	<u>--</u>

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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 September 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

	2025	2024
Letters of Guarantee	<u>1,645</u>	<u>1,645</u>
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	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets	761,931	701,576	38,036	37,918	799,967	739,494
Liabilities	1,040,321	1,084,952	73,650	73,983	1,113,971	1,158,935
Net sales	85,414	17,823	27,857	26,256	113,271	44,079
Net profit (loss)	96,840	50,553	4,827	(1,795)	101,667	48,758

	Sale of goods		Contract revenue		Total	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Assets	761,931	560,625	38,036	123,158	799,967	683,783
Liabilities	1,040,321	777,328	73,650	334,534	1,113,971	1,111,862
Net sales	85,414	16,737	27,857	13,224	113,271	29,961
Net profit	96,840	42,822	4,827	145	101,667	42,967

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:

September 30, 2025 (Unaudited)	Saudi Arabia	Turkey	Other	Total
Assets	798,975	--	992	799,967
Liabilities	1,111,462	--	2,509	1,113,971
Net sales	85,414	--	27,857	113,271
Net profit	96,840	--	4,827	101,667

September 30, 2024 (Unaudited)	Saudi Arabia	Turkey	Other	Total
Assets	682,378	--	1,405	683,783
Liabilities	1,109,227	--	2,635	1,111,862
Net sales	29,961	--	--	29,961
Net profit (loss)	43,160	--	(193)	42,967

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 Jumada I 14 1447H, (corresponding to November 05 , 2025