**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2026

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT**
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2026**

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

To the Shareholders of
Saudi Energy Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Energy Company ("the Company") and its subsidiaries (collectively "the Group") as at June 30, 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income for three month and six month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended, and other explanatory notes. 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")* as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

**Deloitte and Touche & Co.**
**Chartered Accountants**

ديلويت آند توش وشركاهم
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HO-Riyadh
Chartered Accountants
Deloitte and Touche & Co.

**AbdulRahman S. Al Suwaiygh**
Certified Public Accountant
License No. 461

Safar 21, 1448 H
August 4, 2026

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | Note | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 9 | **615,756,512** | 584,969,993 |
| Intangible assets | | **2,256,404** | 1,567,897 |
| Right-of-use assets | | **432,113** | 536,734 |
| Investment properties | | **788,935** | 943,896 |
| Equity accounted investees | | **4,903,225** | 4,696,801 |
| Financial assets at amortized cost | | **23,324** | 20,864 |
| Financial assets through other comprehensive income | 6.1 | **1,175,100** | 214,683 |
| Derivative financial instruments - non-current | 12.3 | **16,227** | - |
| Loans and advances - non-current | | **954,663** | 954,663 |
| **Total non-current assets** | | **626,306,503** | 593,905,531 |
| **Current assets** | | | |
| Inventories | | **1,603,136** | 1,545,732 |
| Accounts receivable | 10 | **27,327,255** | 28,729,509 |
| Loans and advances - current | | **9,618,273** | 7,419,829 |
| Contract assets | | **1,265,299** | 429,484 |
| Prepayments and other receivables | | **4,868,326** | 2,479,444 |
| Derivative financial instruments - current | 12.3 | **29,287** | 55,642 |
| Cash and cash equivalents | | **2,315,695** | 1,258,043 |
| **Total current assets** | | **47,027,271** | 41,917,683 |
| **TOTAL ASSETS** | | **673,333,774** | 635,823,214 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 1 | **41,665,938** | 41,665,938 |
| Other reserves | | **(280,481)** | (628,408) |
| Contractual reserve - Mudaraba instrument | 11 | **1,018,259** | 1,018,259 |
| Retained earnings | | **41,331,318** | 42,019,875 |
| **Total equity before Mudaraba instrument (1)** | | **83,735,034** | 84,075,664 |
| Mudaraba instrument | | **163,636,000** | 163,636,000 |
| Fair value adjustment of Mudaraba instrument | | **9,971,896** | 9,971,896 |
| **Mudaraba instrument (2)** | 11 | **173,607,896** | 173,607,896 |
| **Total equity (1+2)** | | **257,342,930** | 257,683,560 |

The accompanying notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**
**AS AT JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | Note | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Long term loans and facilities | 12.2 | **155,206,726** | 120,586,098 |
| Sukuks | 12.2 | **57,584,424** | 44,867,951 |
| Employees' benefits obligation | | **10,895,366** | 10,484,455 |
| Non-current portion of deferred revenue | | **80,052,508** | 78,620,338 |
| Advances from subscribers | | **22,935,900** | 21,997,690 |
| Deferred government grants | 21 | **1,194,602** | 1,118,039 |
| Derivative financial instruments | 12.3 | **13,204** | 208,550 |
| Non-current portion of lease liabilities | | **203,514** | 288,792 |
| **Total non-current liabilities** | | **328,086,244** | 278,171,913 |
| **Current liabilities** | | | |
| Short term loans and facilities | 12.2 | **18,765,586** | 15,219,047 |
| Current portion of long term loans and facilities | 12.2 | **2,204,945** | 18,703,831 |
| Trade payables | | **10,336,903** | 13,417,202 |
| Accruals and other payables | 13 | **49,601,950** | 44,815,390 |
| Provision for other liabilities and charges | | **583,925** | 664,082 |
| Refundable deposits from customers | | **1,909,171** | 1,908,999 |
| Current portion of deferred revenue | | **3,165,171** | 3,115,625 |
| Contract liabilities | 21 | **1,135,622** | 1,921,984 |
| Current portion of lease liabilities | | **201,327** | 201,581 |
| **Total current liabilities** | | **87,904,600** | 99,967,741 |
| **Total liabilities** | | **415,990,844** | 378,139,654 |
| **TOTAL EQUITY AND LIABILITIES** | | **673,333,774** | 635,823,214 |

| | | |
|---|---|---|
| Executive Vice President and Chief Financial Officer | Chief Executive Officer | Chairman of the Board |
| Abdulaziz bin Abdulrahman AlMuhaiza | Khaled Salim Al-Ghamdi | Najem Abdullah Alzaid |

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | Note | For the three months period ended June 30 | | For the six months period ended June 30 | |
|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 |
| | | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| Operating revenue | 17 | **30,863,548** | 27,721,987 | **52,199,891** | 47,222,371 |
| Cost of revenue | 18 | **(23,570,652)** | (20,371,302) | **(41,101,186)** | (36,997,680) |
| **Gross profit** | | **7,292,896** | 7,350,685 | **11,098,705** | 10,224,691 |
| Other income, net | | **93,291** | 168,692 | **228,404** | 268,360 |
| Research and development expenses | | **(18,551)** | (16,454) | **(31,800)** | (34,425) |
| Impairment losses on financial assets | | **(361,849)** | (329,909) | **(580,936)** | (619,969) |
| General and administrative expenses | | **(376,172)** | (415,192) | **(912,857)** | (732,992) |
| **Operating profit for the period** | | **6,629,615** | 6,757,822 | **9,801,516** | 9,105,665 |
| Finance income | | **29,503** | 9,829 | **41,661** | 58,997 |
| Finance expense | | **(1,634,673)** | (1,327,139) | **(2,974,544)** | (2,781,111) |
| **Finance costs, net** | 19 | **(1,605,170)** | (1,317,310) | **(2,932,883)** | (2,722,114) |
| Share of profit / (loss) on equity accounted investees | | **400** | (21,374) | **34,638** | 29,862 |
| **Profit for the period before zakat** | | **5,024,845** | 5,419,138 | **6,903,271** | 6,413,413 |
| Zakat charge | 16 | **(134,094)** | (135,028) | **(179,973)** | (161,325) |
| **Profit for the period** | | **4,890,751** | 5,284,110 | **6,723,298** | 6,252,088 |
| **Earnings per share (express in ⃁ per share)** | | | | | |
| Basic and diluted earnings per share without deducting profits for the Mudaraba instrument | 20 | **1.17** | 1.27 | **1.61** | 1.50 |
| Basic and diluted earnings per share after deducting profits for the Mudaraba instrument | 20 | **0.63** | 0.73 | **0.53** | 0.45 |

| Executive Vice President and Chief Financial Officer | Chief Executive Officer | Chairman of the Board |
|---|---|---|
| Abdulaziz bin Abdulrahman AlMuhaiza | Khaled Salim Al-Ghamdi | Najem Abdullah Alzaid |

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | For the three months period ended June 30 | | For the six months period ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| Profit for the period | **4,890,751** | 5,284,110 | **6,723,298** | 6,252,088 |
| **Other comprehensive income / (loss):** | | | | |
| **Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:** | | | | |
| Derivative financial instruments at fair value – effective portion | **126,298** | (193,529) | **207,604** | (409,444) |
| Share of other comprehensive income of equity accounted investees | **89,419** | - | **140,323** | - |
| **Total items that may be reclassified to interim condensed consolidated statement of profit or loss** | **215,717** | (193,529) | **347,927** | (409,444) |
| **Other comprehensive income / (loss) for the period** | **215,717** | (193,529) | **347,927** | (409,444) |
| **Total comprehensive income** | **5,106,468** | 5,090,581 | **7,071,225** | 5,842,644 |

| Executive Vice President and Chief Financial Officer | Chief Executive Officer | Chairman of the Board |
|---|---|---|
| Abdulaziz bin Abdulrahman AlMuhaiza | Khaled Salim Al-Ghamdi | Najem Abdullah Alzaid |

The accompanying notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | | Other reserves | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Fair value of derivatives | Employees' benefits obligation | Financial assets at FVOCI | Total other reserves | Contractual reserve for Mudaraba instrument | Retained earnings | Total equity before Mudaraba instrument (1) | Mudaraba instrument (2) | Total equity (1+2) |
| Balance as at January 1, 2025 (audited) | 41,665,938 | 347,376 | (423,829) | (42,511) | (118,964) | 984,901 | 40,919,268 | 83,451,143 | 167,920,563 | 251,371,706 |
| Profit for the period | - | - | - | - | - | - | 6,252,088 | 6,252,088 | - | 6,252,088 |
| Other comprehensive loss | - | (409,444) | - | - | (409,444) | - | - | (409,444) | - | (409,444) |
| **Total comprehensive (loss)/income** | - | (409,444) | - | - | (409,444) | - | 6,252,088 | 5,842,644 | - | 5,842,644 |
| Transfer to contractual reserve for Mudaraba instrument | - | - | - | - | - | 4,387,843 | (4,387,843) | - | - | - |
| Additions | - | - | - | - | - | - | - | - | 5,687,333 | 5,687,333 |
| Dividend to shareholders | - | - | - | - | - | - | (2,916,616) | (2,916,616) | - | (2,916,616) |
| Balance as at June 30, 2025 (Unaudited) | 41,665,938 | (62,068) | (423,829) | (42,511) | (528,408) | 5,372,744 | 39,866,897 | 86,377,171 | 173,607,896 | 259,985,067 |
| **Balance as at January 1, 2026 (audited)** | 41,665,938 | (130,087) | (440,374) | (57,947) | (628,408) | 1,018,259 | 42,019,875 | 84,075,664 | 173,607,896 | 257,683,560 |
| Profit for the period | - | - | - | - | - | - | **6,723,298** | **6,723,298** | - | **6,723,298** |
| Other comprehensive income | - | **347,927** | - | - | **347,927** | - | - | **347,927** | - | **347,927** |
| **Total comprehensive income** | - | **347,927** | - | - | **347,927** | - | **6,723,298** | **7,071,225** | - | **7,071,225** |
| Transfer to contractual reserve for Mudaraba instrument (note 11) | - | - | - | - | - | **4,495,239** | **(4,495,239)** | - | - | - |
| Paid from the contractual reserve (note 11) | - | - | - | - | - | **(4,495,239)** | - | **(4,495,239)** | - | **(4,495,239)** |
| Dividend to shareholders (note 22) | - | - | - | - | - | - | **(2,916,616)** | **(2,916,616)** | - | **(2,916,616)** |
| **Balance as at June 30, 2026 (Unaudited)** | **41,665,938** | **217,840** | **(440,374)** | **(57,947)** | **(280,481)** | **1,018,259** | **41,331,318** | **83,735,034** | **173,607,896** | **257,342,930** |

Executive Vice President and Chief Financial Officer

Abdulaziz bin Abdulrahman AlMuhaiza

Chief Executive Officer

Khaled Salim Al-Ghamdi

Chairman of the Board

Najem Abdullah Alzaid

The accompanying notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.

SAUDI ENERGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | Note | **June 30, 2026 (Unaudited)** | June 30, 2025 (Unaudited) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit for the period before zakat | | **6,903,271** | 6,413,413 |
| **Adjustments for:** | | | |
| Depreciation of property, plant and equipment | 9 | **11,485,738** | 10,659,202 |
| Depreciation of right-of-use assets | 18 | **120,922** | 92,363 |
| Depreciation of investment properties | | **6,588** | 1,586 |
| Amortisation of intangible assets | | **72,353** | 34,955 |
| Foreign exchange difference | | **(46,039)** | - |
| Finance expense | 19 | **2,974,544** | 2,781,111 |
| Finance income | 19 | **(41,661)** | (58,997) |
| Employees' benefits obligation | | **473,743** | 709,179 |
| Allowance for slow-moving and obsolete inventories | | **3,147** | 80,415 |
| Impairment losses on financial assets | | **580,936** | 619,969 |
| Share of profit on equity accounted investees | | **(34,637)** | (29,862) |
| Amortisation of deferred government grant | | **(31,500)** | (69,794) |
| (Gain) / loss on disposal of property, plant and equipment | | **(106,270)** | 53,349 |
| | | **22,361,135** | 21,286,889 |
| **Changes in operating assets and liabilities:** | | | |
| Inventories | | **(60,551)** | (1,414,922) |
| Accounts receivable | | **1,210,723** | (13,040,038) |
| Prepayments and other receivables | | **(2,472,180)** | (2,960,788) |
| Loans and advances | | **(2,198,444)** | (913,535) |
| Contract assets | | **(835,815)** | (315,927) |
| Trade payables | | **(3,080,299)** | 4,669,268 |
| Accruals and other payables | | **3,751,059** | 2,348,124 |
| Contract liabilities | | **(786,362)** | (295,332) |
| Refundable deposits from customers | | **172** | (3,025) |
| Provision for other liabilities and charges | | **74,028** | (7,952) |
| Advances from subscribers | | **938,210** | 1,204,816 |
| Deferred revenue | | **1,481,716** | 838,666 |
| Deferred government grant | | **108,063** | - |
| **Cash generated from operations** | | **20,491,455** | 11,396,244 |
| Employees' benefits obligation paid | | **(293,660)** | (329,798) |
| Zakat paid | | **(334,158)** | (182,564) |
| **Net cash generated from operating activities** | | **19,863,637** | 10,883,882 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | **(42,314,621)** | (40,602,337) |
| Proceeds from sale of property, plant and equipment | | **213,182** | 58,775 |
| Purchase of intangible assets | | **(214,313)** | - |
| Additions to investment properties | | **(6,950)** | - |
| Additional investment in financial asset through other comprehensive income | | **(960,417)** | - |
| Net investment in financial asset at amortized cost | | **(2,460)** | - |
| Additional investment in equity accounted investees | | **(39,905)** | (8) |
| Dividend received from investments | | - | 46,213 |
| Loan to associates and joint ventures, net | | - | (10,990) |
| Finance income received | | **41,661** | 58,997 |
| **Net cash used in investing activities** | | **(43,283,823)** | (40,449,350) |

The accompanying notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.

**SAUDI ENERGY COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026**
(All amounts in thousands ⃁ unless otherwise stated)

| | Note | **June 30, 2026 (Unaudited)** | June 30, 2025 (Unaudited) |
|---|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from loans and facilities | | **53,072,696** | 35,165,971 |
| Proceeds from issuance of sukuks | 12.2 | **12,752,250** | 12,187,091 |
| Repayments of loans and facilities | | **(31,394,153)** | (12,583,530) |
| Payment from contractual reserve for Mudaraba instrument | 11 | **(4,495,239)** | - |
| Payment for lease liabilities | | **(111,625)** | (114,165) |
| Dividends paid | | **(2,936,525)** | (2,918,535) |
| Finance costs paid | | **(2,409,566)** | (1,927,145) |
| **Net cash generated from financing activities** | | **24,477,838** | 29,809,687 |
| **Net change in cash and cash equivalents** | | **1,057,652** | 244,219 |
| **Cash and cash equivalents at the beginning of the period** | | **1,258,043** | 1,631,656 |
| **CASH AND CASH EQUIVALENTS AT THE END OF PERIOD** | | **2,315,695** | 1,875,875 |

Non-cash transactions are disclosed in note 23.

| Executive Vice President and Chief Financial Officer | Chief Executive Officer | Chairman of the Board |
|---|---|---|
| Abdulaziz bin Abdulrahman AlMuhaiza | Khaled Salim Al-Ghamdi | Najem Abdullah Alzaid |

The accompanying notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.

## 1. CORPORATE INFORMATION

The Saudi Energy Company (formerly Saudi Electricity Company) (the “Company”) was founded as a Saudi joint stock company pursuant to the Royal Decree No. M/16 dated 6 Ramadan 1420H corresponding to December 13, 1999, in accordance with the Council of Ministers' Resolution Number 153, dated 5th Ramadan 1420H corresponding to December 12, 1999 and the Minister of Commerce's Resolution Number 2047 dated 30 Dhul-Hijjah 1420H corresponding to April 5, 2000 according to the Commercial Registration by Riyadh Number 1010158683 and unified number 7000579370, dated 28 Muhurram 1421H corresponding to May 3, 2000.

The Company's principal activities are generation, transmission and distribution of electricity. The Company is the major provider of electricity all over the Kingdom of Saudi Arabia, serving governmental, industrial, agricultural, commercial and residential consumers.

The Company is a tariff-regulated company for provision of electricity. Electricity tariffs are determined by the Council of Ministers based on recommendations from the Saudi Electricity Regulatory Authority (the “Authority”).

The Company’s share capital is divided into 4,166,593,815 shares of ⃁ 41,665,938,150 with a nominal value of ⃁ 10 per share. The Government of Saudi Arabia’s shareholding of 74.31% in the Company was transferred to the Public Investment Fund by Royal Decree No. 47995 dated 19 Shawwal 1438H (July 13, 2017).

On 8 Ramadan 1447H corresponding to February 25, 2026, the By-laws and commercial register was amended to change in the name of the Company from Saudi Electricity Company to Saudi Energy Company. Additionally, the objectives of the Company were slightly amended.

The address of its registered headquarter is located in Riyadh, Kingdom of Saudi Arabia.

Saudi Energy Company is referred to as (“Company”) or together with its subsidiaries as (“Group”) throughout the financial statements. These interim condensed consolidated financial statements include the assets, liabilities and results of operations of the direct and indirect subsidiaries referred to in the table below. The percentage of voting rights owned by the Company in subsidiaries is not different from that of the ordinary shares held. The financial year of the Group including subsidiaries starts from the first of January and ends at the end of December of each Gregorian year, except newly incorporated companies for which first financial year begins on the date of incorporation and ends on December 31.

(All amounts in thousands ⃁ unless otherwise stated)

## 1. CORPORATE INFORMATION (CONTINUED)

The subsidiaries are listed below:

| | | Ownership in ordinary shares % | | |
|---|---|---|---|---|
| **Subsidiaries** | **Country of incorporation** | **June 30, 2026** | **December 31, 2025** | **Principal activities** |
| National Grid S.A. Company "Grid Company" | Kingdom of Saudi Arabia | 100 | 100 | Transmission |
| Mihrwralaitisalat Company (Formerly Dawiyat Telecommunication Company) (a) | Kingdom of Saudi Arabia | 100 | 100 | Telecommunication |
| Saudi Electricity for Projects Development Co. | Kingdom of Saudi Arabia | 100 | 100 | Projects management |
| Saudi Electricity Global Sukuk Company – 2 | Cayman Islands | 100 | 100 | Financing |
| Saudi Electricity Global Sukuk Company – 3 | Cayman Islands | 100 | 100 | Financing |
| Saudi Electricity Global Sukuk Company – 4 | Cayman Islands | 100 | 100 | Financing |
| Saudi Electricity Global Sukuk Company – 5 | Cayman Islands | 100 | 100 | Financing |
| Saudi Electricity Company for the International Sukuk Program | Cayman Islands | 100 | 100 | Financing |
| Solutions Valley Company | Kingdom of Saudi Arabia | 100 | 100 | Power service |
| Dawiyat Integrated Company for Telecommunications and Information Technology | Kingdom of Saudi Arabia | 100 | 100 | Telecommunication |
| Saudi Energy Production Company | Kingdom of Saudi Arabia | 100 | 100 | Energy generation |
| Dawiyat Digital Information Technology Company | Kingdom of Saudi Arabia | 100 | 100 | Wireless telecommunication services |
| Dawiyat Data Center Company | Kingdom of Saudi Arabia | 100 | 100 | Building, operating, and leasing data centres |
| Energy Infrastructure Consortium Company (EICC) | Kingdom of Saudi Arabia | 100 | 100 | Developing infrastructure of power project |
| Etijahat Advanced Energy Holding Company | Kingdom of Saudi Arabia | 100 | 100 | Investing in funds and businesses |
| Sahl First Energy Company | Kingdom of Saudi Arabia | 100 | 100 | Power generation |
| Sahl Second Energy Company | Kingdom of Saudi Arabia | 100 | 100 | Power generation |
| Sahl Third Energy Company | Kingdom of Saudi Arabia | 100 | 100 | Power generation |
| Ghazal First Energy Company | Kingdom of Saudi Arabia | 100 | 100 | Power generation |
| Ghazal Second Energy Company | Kingdom of Saudi Arabia | 100 | 100 | Power generation |
| Itijahat Real Estate Company | Kingdom of Saudi Arabia | 100 | 100 | Developing, managing, leasing, buying and selling lands and real estate |
| Global Data Hub Company | Kingdom of Saudi Arabia | 100 | 100 | Computer network installation, communications, consultancy, IT management services |
| Masarat Alistithmar AlMustadam (b) | Kingdom of Saudi Arabia | 100 | - | Acquire, grow, and manage non-regulated businesses |

a) During the period, the Group changed the name of Dawiyat Telecommunication Company to Mihrwralaitisalat Company (A Single-Person Limited Liability Company). The name change was registered on 3 Dhu Al-Hijjah 1447H (corresponding to 20 May 2026). The change in name did not result in any change to the Company's legal status, ownership structure, or principal activities.

(All amounts in thousands ⃁ unless otherwise stated)

## 1. CORPORATE INFORMATION (CONTINUED)

b) Masarat Alistithmar AlMustadam Company is a single shareholder simplified joint stock company incorporated in Riyadh, Kingdom of Saudi Arabia Ramadan 20, 1447H (corresponding to March 9, 2026), and registered under Commercial Registration No. 7053845629. The company has an authorized share capital of ⃁12 million of which ⃁ 3 million is paid up. The company is wholly owned by Saudi Energy Company. The main activity of the company is to acquire, grow, and manage non-regulated businesses.

These interim condensed consolidated financial statements include Group's share in joint ventures and associates as below:

| | | Ownership in ordinary shares % | |
|---|---|---|---|
| **Joint Ventures** | **Country of incorporation** | **June 30, 2026** | **December 31, 2025** |
| Hajr for Electricity Production Company | Kingdom of Saudi Arabia | **50** | 50 |
| Rabigh Electricity Company | Kingdom of Saudi Arabia | **20** | 20 |
| Al Mourjan for Electricity Production Company | Kingdom of Saudi Arabia | **50** | 50 |
| Dhuruma Electricity Company | Kingdom of Saudi Arabia | **50** | 50 |
| Electric Vehicle Infrastructure Company | Kingdom of Saudi Arabia | **24.8** | 24.8 |
| Sidra One Holding company | Kingdom of Saudi Arabia | **40** | 40 |
| Qudra One Holding company | Kingdom of Saudi Arabia | **40** | 40 |
| Saudi Greek Interconnection Societe Anonyme | Kingdom of Saudi Arabia | **50** | 50 |
| Remal First Holding Company | Kingdom of Saudi Arabia | **35** | 35 |
| Naseem First Holding Company | Kingdom of Saudi Arabia | **35** | 35 |
| Hajr One Holding Company | Kingdom of Saudi Arabia | **40** | 40 |
| Al Mourjan Two Holding Company | Kingdom of Saudi Arabia | **40** | 40 |
| Ashraf Wahj Samidah Company | Kingdom of Saudi Arabia | **50** | 50 |
| Isnad Wahj Samidah Company | Kingdom of Saudi Arabia | **50** | 50 |
| National Innovation Industrial Company (a) | Kingdom of Saudi Arabia | **30** | - |
| Smart Utility Technologies Company (b) | Kingdom of Saudi Arabia | **51** | - |

a) On 7 Ramadan 1447H (corresponding to February 24, 2026), the Group finalized the acquisition of 30% stake in National Innovation Industrial Company from Saudi Arabian Industrial Investments Company and 3D Systems Inc. National Innovation Industrial Company, a limited liability company, incorporated in Riyadh, Kingdom of Saudi Arabia registered under the Commercial Registration No. 7030193994. The Group's share is ⃁29.4 million representing 30% of the company's capital, which is ⃁ 98 million. The company's main activity is advanced digital manufacturing, including 3D printing and the production of customized industrial components for government and semi government sectors.

b) Smart Utility Technologies Company is a Simplified Joint Stock Company incorporated in Riyadh, Kingdom of Saudi Arabia, and registered on 15 Muharram 1448H (corresponding to 30 June 2026) under Commercial Registration No. 7054689000. The company has an authorized share capital of ⃁ 50,000. Saudi Energy Company holds a 51% ownership interest in the company. The company's principal activities include operating systems, systems integration, and user interface and user experience design services.

| | | Ownership in ordinary shares % | |
|---|---|---|---|
| **Associates** | **Country of incorporation** | **June 30, 2026** | December 31, 2025 |
| Gulf Co-operation Council Inter-Connection Authority | Kingdom of Saudi Arabia | **31.6** | 31.6 |
| Gulf Laboratory Company for Testing Electrical Equipment | Kingdom of Saudi Arabia | **30** | 30 |
| Al Fadhly Co-Generation Company | Kingdom of Saudi Arabia | **30** | 30 |

## 2. SIGNIFICANT EVENT

**Uncertainty**

The Group has considered the potential impact of current macroeconomic and geopolitical events, including the ongoing conflict and geopolitical tensions in the Middle East, on its financial position, performance, and cash flows. The impact of such uncertain economic environment is judgmental, and the group will continue to reassess its position and the related impact on a regular basis as more reliable data becomes available.

Based on the assessment as of the reporting date, the Group has concluded that these events do not have a material impact on its operations, financial results, or carrying value of assets and liabilities. The Group will continue to evaluate and closely monitor the current situation to assess the geopolitical situation may have on its business and financial performance. This includes conducting regular stress testing scenarios and assessing implications on key risk indicators, including credit, liquidity, operational and solvency risk. In parallel, management continues its review of credit exposures, with focused assessment of vulnerable sectors and has concluded that no adjustments are required to the expected credit loss model.

## 3. BASIS OF PREPARATION

***a) Statement of compliance***

These interim condensed consolidated financial statements of the Group have been prepared in compliance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA) and the requirements of the laws and regulations in the Kingdom of Saudi Arabia.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025.

***b) Basis of measurements and presentation***

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the interim condensed consolidated statement of financial position:

- The employees' benefits obligation, which is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Financial assets through other comprehensive income including derivative financial instruments that are measured at fair value.

These interim condensed consolidated financial statements are presented in Saudi Riyals (⃁), which is the functional currency of the Group. These interim condensed consolidated financial statements have been rounded-off to nearest ⃁ thousand, unless otherwise stated.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

These interim condensed consolidated financial statements have been prepared using accounting policies consistent with those applied in the Group's consolidated financial statements for the year ended December 31, 2025 and are applied consistently across all subsidiaries, unless otherwise stated.

Accounting policies adopted in preparation of these interim condensed consolidated financial statements are described in note 4 of the Group's consolidated financial statements for the year ended December 31, 2025.

(All amounts in thousands ⃁ unless otherwise stated)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

**New and amended International Financial Reporting Standards ("IFRSs") Standards that are effective for the current period**

The following standards, interpretations or amendments are effective and are adopted by the Group but do not have any significant impact on the interim condensed consolidated financial statements of the Group.

| New and revised IFRS | Summary | Effective date |
|---|---|---|
| Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments | Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.<br><br>The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity | Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements. | January 1, 2026 |
| Annual improvements to IFRS – Volume 11 | Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows. | January 1, 2026 |

**New and revised IFRSs issued but not yet effective and not early adopted**

The standards and amendments that are issued, but not yet effective, as of June 30, 2026 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These standards are not expected to have a material impact on the Group at their effective dates, except IFRS 18, which the Group is currently evaluating the impact of its adoption on the interim condensed consolidated financial statements.

**Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

**New and revised IFRSs issued but not yet effective and not early adopted (Continued)**

**IFRS 18, Presentation and Disclosure in Financial Statements**

IFRS 18 *Presentation and Disclosure in Financial Statements* will replace IAS 1 *Presentation of Financial Statements* and is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Group has not early adopted IFRS 18 in preparing these interim condensed consolidated financial statements and expects to apply the standard from its effective date, i.e., January 1, 2027.

IFRS 18 introduces new requirements for presentation and disclosure in the financial statements, including the classification of income and expenses into defined categories in the statement of profit or loss, namely operating, investing, financing, income taxes, and discontinued operations. It also requires entities to present newly defined subtotals, including “operating profit or loss” and “profit or loss before financing and income taxes”, and introduces enhanced disclosure requirements for management-defined performance measures and additional principles for aggregation and disaggregation of information.

The Group has established a formal IFRS 18 implementation programme overseen by senior management and supported by a cross-functional working group. The programme includes assessments of financial statement presentation, management reporting, data and systems requirements and reporting implications.

The Group is in the process of assessing the impact that the initial application of IFRS 18 will have on its consolidated financial statements. The expected impact relates primarily to presentation and disclosure, including the structure of the consolidated statement of profit or loss, the consolidated statement of cash flows and related notes.

a) Structure of the statement of profit or loss

The Group currently presents operating profit in its consolidated statement of profit or loss. Upon adoption of IFRS 18, the Group will be required to present income and expenses within the IFRS 18 categories and to present the newly defined subtotals required by the standard. The adoption of IFRS 18 is not expected to impact the Group's net profit or net assets.

The Group is assessing the classification and presentation of its material income and expense streams under IFRS 18, including operating revenue, cost of revenue, other income, finance income, finance expense, share of profit from equity-accounted investees, impairment losses on financial assets, zakat and other income and expense items. The final presentation may differ from the Group’s current presentation, depending on management’s assessment of the Group’s main business activities and the detailed application of IFRS 18 to the Group’s material line items.

The assessment is ongoing and the final conclusion and impact of the standard are yet to be determined. Key areas currently being assessed include:

- Presentation of share of profit or loss of joint ventures and an associate in investing category;
- Presentation of finance income and finance cost under the appropriate IFRS 18 category;
- Classification of foreign exchange gains and losses under the appropriate IFRS 18 category.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

**New and revised IFRSs issued but not yet effective and not early adopted (Continued)**

**IFRS 18, Presentation and Disclosure in Financial Statements (Continued)**

- the presentation of the balancing fund, being the difference between the required revenue and actual revenue and;
- the presentation format for operating expenses under IFRS 18, including whether a nature, function or mixed presentation will provide the most useful information to users of the financial statements.

b) Management-defined performance measures
IFRS 18 requires disclosure of management-defined performance measures, being subtotals of income and expenses used in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the Group as a whole.

The Group is assessing its public communications to determine whether any performance measures used outside the financial statements meet the definition of management-defined performance measures under IFRS 18. If any such measures are identified, the Group will be required to disclose them in a single note to the consolidated financial statements, together with reconciliations to the most directly comparable subtotal or total specified by IFRS Accounting Standards.

c) Aggregation and disaggregation
IFRS 18 introduces enhanced principles for grouping information in the primary financial statements and the notes, including requirements to aggregate items based on shared characteristics and disaggregate items with dissimilar characteristics where such disaggregation provides material information to improve transparency.

The Group is assessing the impact of these requirements on its current presentation and disclosures, including line items and notes that include descriptions such as "other operating revenue", "other income, net", "prepayments and other receivables", "accruals and other payables" and "others" within segment reporting. The Group expects that certain line items and disclosures may require more specific labelling or additional disaggregation where material.

d) Consequential amendments
IFRS 18 introduces consequential amendments to IAS 7 *Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting*. These amendments require entities applying the indirect method to use operating profit or loss as the starting point for reporting cash flows from operating activities.

The Group currently presents cash flows from operating activities using profit before zakat as the starting point. Upon adoption of IFRS 18, the Group expects to change the starting point of the operating cash flow reconciliation to operating profit. The Group will also assess all consequential amendments to IAS 7.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

**New and revised IFRSs issued but not yet effective and not early adopted (Continued)**

**IFRS 19 - Reducing subsidiaries disclosures**

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate, or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS.

## 5. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Group’s interim condensed consolidated financial statements in accordance with IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's annual consolidated financial statements as of December 31, 2025.

## 6. FINANCIAL RISK MANAGEMENT

### 6.1 Fair-value measurement

The Group measures its financial instruments at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(All amounts in thousands ⃁ unless otherwise stated)

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.1 Fair-value measurement (continued)

All assets and liabilities whose fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest input level considered significant for the overall measurement:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either, directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table presents the Group's financial assets and liabilities that are measured at fair value:

| **As of June 30, 2026 - Unaudited** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Financial assets through other comprehensive income | **-** | **-** | **1,175,100** | **1,175,100** |
| Derivative financial instruments | **-** | **45,514** | **-** | **45,514** |
| **Total financial assets** | **-** | **45,514** | **1,175,100** | **1,220,614** |
| **Financial liabilities** | | | | |
| Derivatives financial liabilities | **-** | **13,204** | **-** | **13,204** |
| **Total financial liabilities** | **-** | **13,204** | **-** | **13,204** |

| As of December 31, 2025 - Audited | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets through other comprehensive income | - | - | 214,683 | 214,683 |
| Derivative financial instruments | - | 55,642 | - | 55,642 |
| Total financial assets | - | 55,642 | 214,683 | 270,325 |
| Financial liabilities | | | | |
| Derivatives financial instruments | - | 208,550 | - | 208,550 |
| Total financial liabilities | - | 208,550 | - | 208,550 |

**Valuation techniques used to derive level two fair-value**

Interest rate swaps are fair valued using the mark-to-market value (or fair value) of the interest rate swap technique. The effects of discounting are generally insignificant for Level two derivatives.

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current default swap or bond prices.

(All amounts in thousands ⃁ unless otherwise stated)

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.1 Fair-value measurement (continued)

**Fair value measurements using significant unobservable inputs (Level three)**
The Group has five investments recorded at financial assets through other comprehensive income i.e.

- 8% Stake in Shuaiba Water and Electricity Company;
- 8% Stake in Shuqaiq Water and Electricity Company;
- 5% Stake in Jubail Water and Power Company;
- 8% Stake in Shuaiba Expansion Holdings Company, and
- 3.4% Stake in Kraken Midco Limited.

The fair valuation of the first four investments is carried out using the dividend valuation model (DVM).

In accordance with this methodology, the expected future dividends from the investments are projected (the historical dividend pay-out pattern is used as a basis for future projections over the investment horizon), and discounted using the cost of equity as the relevant discount rate to ascertain the fair value of these investments.

The investment in Kraken Midco Limited is measured at fair value using the discounted cashflow approach at each reporting date.

There have been no transfers between fair values levels during the six months period ended June 30, 2026.

Movement in fair value financial instruments represented in financial assets at other comprehensive income during the period/year is as follows:

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| Balance at the beginning of the period / year | **214,683** | 230,119 |
| Investment made during the period (a) | **960,417** | - |
| Change in fair value of the financial assets through other comprehensive income during the period / year | **-** | (15,436) |
| Balance at the end of the period / year | **1,175,100** | 214,683 |

a) The Group entered into a shareholder agreement with Kraken Holdco Limited in relation to an investment in Kraken Midco Limited, a company specializing in artificial intelligence-powered products and solutions for utilities systems. As of 30 June 2026, the Group holds a 3.4% ownership interest in the company following the capital drawdown undertaken during the current quarter.

**Fair value of financial assets and liabilities measured at amortised cost**
The fair value of the financial assets and liabilities approximates their carrying amount.

**Mudaraba instrument**
The fair value of the Mudaraba instrument was determined at the initial transfer date to equity.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The management objective of liquidity risk is to ensure that the Group has sufficient financing facilities to meet its current and future obligations. The Group aims to maintain adequate flexibility in financing by maintaining appropriate credit facilities. The Group expects to meet its future financial obligations without being affected by the shortfall in working capital, through cash collections of receivables and through bank facilities and loans.

As at June 30, 2026, the Group’s current liabilities exceed its current assets by ⃁ 40.9 billion (December 2025: ⃁58.1 billion). This reflects the Group’s ongoing large-scale capital expenditure program aimed at expanding and renewing its power generation, transmission and distribution capacity to meet future demand and regulatory requirements.

### 6.3 Credit risk

Credit risk represents the risk of financial loss arising from the failure of a customer, subscriber, or counterparty to meet its contractual obligations. The Group's exposure to credit risk primarily arises from cash and cash equivalents, bank deposits, loans and advances to affiliates, trade and other receivables, and electricity sales.

The Group's credit risk relating to subscriber receivables is mitigated through the use of established collection channels, including SADAD, major credit cards, and other electronic payment platforms. The Group maintains its bank balances with highly rated financial institutions. The Group also assesses the creditworthiness of its customers and counterparties by considering historical payment behavior, financial standing, and other relevant factors in determining the expected recoverability of outstanding balances. In addition, the Group continuously monitors its credit exposures and applies appropriate credit risk management practices to minimize potential losses arising from non-performance by customers or other counterparties.

## 7. SEASONALITY OF OPERATIONS

The operations and revenues of the Group are affected by seasonal weather changes during the year. Revenues are materially lower during the winter months due to lower consumption of electricity whereas higher revenues are earned during summer months due to the increase in consumption of electricity as a result of high temperatures. Accordingly, the Group’s interim financial results may vary between reporting periods and may not be indicative of the results expected for the full financial year.

## 8. OPERATING SEGMENTS

The main operating activities of the Group are divided into generation, transmission, distribution and subscriber services which are complementary to each other in the production and delivery of electricity to the consumers. The Group's revenues are mainly realized from the sale of energy to the final consumer as per the official rate set for the system. Primarily operations are carried out within the Kingdom of Saudi Arabia. A significant portion of revenue from external customers is generated within the Kingdom, and all non-current assets of the Group are located within the Kingdom.

The Group’s operating segments are established on the basis of those components that are evaluated regularly by the Group Chief Executive Officer, considered to be the Chief Operating Decision Maker (CODM). The CODM monitors the results of each operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, costs, and a broad range of key performance indicators in addition to segment profitability.

## 8. OPERATING SEGMENTS (CONTINUED)

Information reported to the Group's CODM for the purposes of resource allocation and assessment of segment performance is focused on the type of activity. The group's reportable segments under IFRS 8 are therefore as follows:

| Operating activities | Description |
|---|---|
| Corporate | Providing supporting services including Human Resources, Finance function, Legal and IT which are managed centrally and allocated in accordance with the Group's policy. |
| Generation | Production of electricity. |
| Distribution and Subscriber Services | Receiving and distributing power from transmission networks to subscribers, issuance and distribution of consumption bills and collections. |
| Transmission | Transmission of power from generation plants using the transmission network to the distribution network and operation of the electricity transmission and maintenance system. |
| Others | Others include telecommunication infrastructure, wireless telecommunication services, project management temporary power supply and investment. |

(All amounts in thousands ⃁ unless otherwise stated)

**8. OPERATING SEGMENTS (CONTINUED)**

| **Six months period ended June 30, 2026 (Unaudited) (⃁ in million)** | **Corporate** | **Generation** | **Distribution and subscribers' services** | **Transmission** | **Others** | **Adjustments/ eliminations** | **Total** |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| External consumers | - | 9,198 | 48,200 | 3,576 | 410 | (9,184) | 52,200 |
| Between segments | - | - | 80 | 12,604 | 1,851 | (14,535) | - |
| **Total revenue** | - | 9,198 | 48,280 | 16,180 | 2,261 | (23,719) | 52,200 |
| Fuel | - | (47) | - | - | - | - | (47) |
| Purchased power | - | - | (38,660) | (1,239) | - | 21,789 | (18,110) |
| Operating and maintenance costs | (21) | (3,693) | (4,199) | (1,933) | (1,172) | 1,145 | (9,873) |
| Construction cost | - | - | - | (1,785) | - | 90 | (1,695) |
| Depreciation of property, plant and equipment | - | (3,343) | (3,245) | (4,560) | (107) | - | (11,255) |
| Depreciation of right-of-use assets | (121) | - | - | - | - | - | (121) |
| **Gross profit** | (142) | 2,115 | 2,176 | 6,663 | 982 | (695) | 11,099 |
| Other income, net | | | | | | | 228 |
| Research and development expenses | | | | | | | (32) |
| Impairment losses on financial assets | | | | | | | (581) |
| General and administrative expenses | | | | | | | (913) |
| Finance income | | | | | | | 42 |
| Finance expense | | | | | | | (2,975) |
| Share of profit on equity accounted investees | | | | | | | 35 |
| Zakat charge | | | | | | | (180) |
| **Profit for the period** | | | | | | | 6,723 |
| **As at June 30, 2026 (unaudited)** | | | | | | | |
| Property, plant and equipment | 5,908 | 123,609 | 182,134 | 299,716 | 5,084 | (695) | 615,756 |
| Total assets | 413,325 | 130,112 | 199,443 | 311,072 | 9,471 | (390,089) | 673,334 |
| Total liabilities | 228,459 | 123,898 | 189,802 | 248,650 | 3,356 | (378,174) | 415,991 |

(All amounts in thousands ⃁ unless otherwise stated)

**8. OPERATING SEGMENTS (CONTINUED)**

| Six months period ended June 30, 2025 (Unaudited) (⃁ in million) | Corporate | Generation | Distribution and subscribers' services | Transmission | Others | Adjustments/ eliminations | Total |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| External consumers | - | 9,227 | 43,686 | 3,183 | 344 | (9,218) | 47,222 |
| Between segments | - | - | - | 10,899 | 1,438 | (12,337) | - |
| Total revenue | - | 9,227 | 43,686 | 14,082 | 1,782 | (21,555) | 47,222 |
| Fuel | - | (54) | - | - | - | - | (54) |
| Purchased power | - | - | (35,000) | (1,261) | - | 20,202 | (16,059) |
| Operating and maintenance costs | 255 | (3,324) | (3,994) | (1,884) | (1,048) | 1,353 | (8,642) |
| Construction cost | - | - | - | (1,684) | - | - | (1,684) |
| Depreciation of property, plant and equipment | - | (3,437) | (2,783) | (4,078) | (168) | - | (10,466) |
| Depreciation of right-of-use assets | (92) | - | - | - | - | - | (92) |
| Gross profit | 163 | 2,412 | 1,909 | 5,175 | 566 | - | 10,225 |
| Other income, net | | | | | | | 268 |
| Research and development expenses | | | | | | | (34) |
| Impairment losses on financial assets | | | | | | | (620) |
| General and administrative expenses | | | | | | | (733) |
| Finance income | | | | | | | 59 |
| Finance expense | | | | | | | (2,782) |
| Share of profit on equity accounted investees | | | | | | | 30 |
| Zakat charge | | | | | | | (161) |
| Profit for the period | | | | | | | 6,252 |
| As at December 31, 2025 (Audited) | | | | | | | |
| Property, plant and equipment | 9,297 | 120,009 | 175,044 | 276,934 | 4,805 | (1,119) | 584,970 |
| Total assets | 394,601 | 124,446 | 197,196 | 283,954 | 8,103 | (372,477) | 635,823 |
| Total liabilities | 200,189 | 120,064 | 189,250 | 226,287 | 4,807 | (362,457) | 378,140 |

(All amounts in thousands ⃁ unless otherwise stated)

## 9. PROPERTY, PLANT AND EQUIPMENT

| | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Net book value at the beginning of the period/year | **584,969,993** | 502,132,641 |
| Additions | **43,108,206** | 106,493,063 |
| Disposals, net | **(106,107)** | (207,044) |
| Transfer from / (to) investment properties | **122,812** | (23,845) |
| Transfer to intangible assets | **(546,547)** | (1,257,756) |
| Transfer to prepayments and other receivables | **(306,107)** | - |
| Depreciation for the period/year | **(11,485,738)** | (22,167,066) |
| Net book value at the end of the period/year | **615,756,512** | 584,969,993 |

An amount of ⃁ 28.7 billion (December 31, 2025: ⃁ 55.1 billion) was transferred from projects under construction to property, plant and equipment. Project under construction as of June 30, 2026 amounted to ⃁ 137.7 billion (December 31, 2025: ⃁ 124.5 billion).

Capitalized finance charges during the period on projects under construction amounting to ⃁ 3.3 billion (December 31, 2025: ⃁ 4.6 billion).

## 10. ACCOUNTS RECEIVABLE

| | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Governmental institutions (note 21) (a) | **4,036,542** | 11,661,342 |
| Receivables other than government (b) | **11,200,154** | 9,731,165 |
| Due from related parties (note 21) | **6,755,422** | 4,973,091 |
| Receivables for electricity service connection projects | **2,992,302** | 2,317,087 |
| | **24,984,420** | 28,682,685 |
| Add: accrued revenue | **5,800,073** | 3,312,531 |
| | **30,784,493** | 31,995,216 |
| Less: allowance for expected credit losses (c) | **(3,457,238)** | (3,265,707) |
| | **27,327,255** | 28,729,509 |

a) Included in the governmental institutions receivables as of December 31, 2025 is an amount of ⃁ 4.7 billion, which was received on January 8, 2026. The balance resulted from the management's estimate of the difference between required revenue and actual regulated revenue for the year 2025. It also includes the required revenue amendments for the year 2024 by the regulator until it is settled in accordance with the approved rules and regulations.

b) Included in accounts receivable and prepayments and other receivables is an amount of ⃁ 366 million that is currently under litigation and management is of the view that the amount is recoverable.

c) The movement in the allowance for expected credit losses during the period / year is as follows:

| | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Balance as at beginning of the period/year | **3,265,707** | 3,043,244 |
| Charge for the period/year | **202,609** | 359,869 |
| Transfer to prepayments and other receivables | **(11,078)** | - |
| Written off during the period/year | - | (137,406) |
| Balance as at the end of the period/year | **3,457,238** | 3,265,707 |

(All amounts in thousands ⃁ unless otherwise stated)

## 11. MUDARABA INSTRUMENT

As of June 30, 2026 and December 31, 2025, the Mudaraba instrument balances are as follows:

| | Mudaraba instrument | Second additional Mudaraba instrument | Total |
|---|---|---|---|
| Mudaraba instrument | 159,169,000 | 4,467,000 | **163,636,000** |
| Fair value adjustment of Mudaraba instrument | 8,751,563 | 1,220,333 | **9,971,896** |
| | **167,920,563** | **5,687,333** | **173,607,896** |

Movement in the contractual reserve is as follows:

| | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Balance as at the beginning of the period/year | **1,018,259** | 984,901 |
| Transferred from retained earnings during period/year | **4,495,239** | 8,957,588 |
| Paid during the period/year | **(4,495,239)** | (8,924,230) |
| Balance as at the end of the period/year | **1,018,259** | 1,018,259 |

## 12. FINANCIAL INSTRUMENTS

### 12.1 Financial instruments other than interest bearing

| | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| **Derivative financial liabilities** | | |
| Derivative financial instruments at fair value (note 12.3) | **13,204** | 208,550 |
| **Other financial liabilities carried at amortized cost, other than interest bearing** | | |
| Trade payables | **10,336,903** | 13,417,202 |
| Accruals and other payables | **49,601,950** | 44,815,390 |
| Refundable deposits from customers | **1,909,171** | 1,908,999 |
| **Total other financial liabilities carried at amortized cost, other than interest bearing** | **61,848,024** | 60,141,591 |

### 12.2 Interest bearing liabilities

Classification of borrowings as appearing on the interim condensed consolidated statement of financial position as of June 30, 2026 is as follows:

| **(Unaudited)** | Short term loans and facilities | Long term loans and facilities | Sukuks | Total |
|---|---|---|---|---|
| Non-current | **-** | **155,206,726** | **57,584,424** | **212,791,150** |
| Current | **18,765,586** | **2,204,945** | **-** | **20,970,531** |
| | **18,765,586** | **157,411,671** | **57,584,424** | **233,761,681** |

(All amounts in thousands ⃁ unless otherwise stated)

## 12. FINANCIAL INSTRUMENTS (CONTINUED)

### 12.2 Interest bearing liabilities (continued)

Classification of borrowings as appearing on the consolidated statement of financial position as of December 31, 2025 is as follows:

| (Audited) | Short term loans and facilities | Long term loans and facilities | Sukuks | Total |
|---|---|---|---|---|
| Non-current | - | 120,586,098 | 44,867,951 | 165,454,049 |
| Current | 15,219,047 | 18,703,831 | - | 33,922,878 |
| | 15,219,047 | 139,289,929 | 44,867,951 | 199,376,927 |

Movements in borrowings during the year / period are as follows:

| | **Short term loans and facilities** | **Long term loans and facilities** | **Sukuks** | **Total** |
|---|---|---|---|---|
| **As at January 1, 2025 – Audited** | 8,000,000 | 101,094,869 | 35,150,596 | 144,245,465 |
| Proceeds from borrowings | 11,719,047 | 56,812,874 | 12,187,500 | 80,719,421 |
| Repayments of borrowings | (4,500,000) | (18,585,702) | (2,437,500) | (25,523,202) |
| Acquisition of a subsidiary during the year | - | 296,152 | - | 296,152 |
| Net charge to deferred costs | - | (328,264) | (32,645) | (360,909) |
| **As at December 31, 2025 – Audited** | **15,219,047** | **139,289,929** | **44,867,951** | **199,376,927** |
| Proceeds from borrowings | **13,556,460** | **39,516,236** | **12,752,250** | **65,824,946** |
| Repayments of borrowings | **(10,000,000)** | **(21,318,028)** | **-** | **(31,318,028)** |
| Foreign exchange difference | **(9,921)** | **(36,118)** | **-** | **(46,039)** |
| Net charge to deferred costs | **-** | **(40,348)** | **(35,777)** | **(76,125)** |
| **As at June 30, 2026 – Unaudited** | **18,765,586** | **157,411,671** | **57,584,424** | **233,761,681** |

(a) On 23 Sha'aban 1447H (corresponding to February 16, 2026), the Group has signed a Shari'ah compliant Murabaha refinancing facility with Domestic banks amounting to ⃁ 16 billion for 3 years with an extension option. As at June 30, 2026 the Group has utilized ⃁ 16 billion.

(b) On Rajab 13, 1447H (Corresponding to January 2, 2026) the Group signed an International Syndicated Facility with international banks amounting to USD 1 billion ( ⃁ 3.75 billion) for 5 years. As at June 30, 2026 the Group has utilised ⃁ 3.75 billion.

(c) On 10 Shaban 1447H (corresponding to January 29, 2026) a subsidiary of the Group entered into a Bridge to Senior murabaha facility agreement for a total facility amount of USD 850 million ( ⃁ 3.19 billion). As at June 30, 2026 the Group has utilized ⃁ 240 million.

(d) On 10 Shaban 1447H (corresponding to January 29, 2026) a subsidiary of the Group entered into a Bridge to Senior murabaha facility agreement for a total facility amount of USD 550 million ( ⃁ 2.06 billion). As at June 30, 2026 the Group has utilized ⃁ 1.3 billion.

(e) During the period, the Group issued international Sukuk certificates at par with a total principal amount of USD 2.9 billion ( ⃁ 10.9 billion) on various dates. The Sukuk comprises three fixed-rate tranches with maturities of three, six and ten years, amounting to USD 500 million ( ⃁ 1.9 billion), USD 700 million ( ⃁ 2.6 billion) and USD 1.7 billion ( ⃁ 6.4 billion), respectively.

(All amounts in thousands ⃁ unless otherwise stated)

## 12. FINANCIAL INSTRUMENTS (CONTINUED)

### 12.2 Interest bearing liabilities (continued)

(f) On Shawwal 24, 1447H (corresponding to April 12, 2026) a subsidiary of the Group has signed a Shari'ah compliant Murabaha facility with Domestic bank amounting to ⃁ 400 million for 7 years for the purpose of refinancing existing murabaha facilities with a floating rate plus margin. As at June 30, 2026 this facility has utilized ⃁ 296 million.

(g) On Shawwal 25, 1447H (corresponding to April 13, 2026) a subsidiary of the Group entered into a Bridge to Senior facility agreement for a total facility amount of USD 500 million (⃁ 1.9 billion). As at June 30, 2026 this facility has utilized ⃁ 855 million.

(h) On Shawwal 26, 1447 (corresponding to April 14, 2026) the Group issued a supplementary Sukuk through private placement amounting to ⃁ 1.9 billion (USD 500 million at par), maturing after 8 years tenure with a floating rate plus margin.

(i) On Dhul Hijjah 16, 1447H (corresponding to June 2, 2026) the Group signed an International Syndicated Facility with international bank amounting to USD 500 million (⃁1.9 billion) for 5 years with an extension option. As at June 30, 2026 the Group has utilized ⃁ 1.9 billion.

(j) On Moharram 6, 1448H (corresponding to June 21, 2026), the Group has signed a Murabaha Facility Agreement refinancing facility with Domestic banks amounting to ⃁6 billion for 3 years with an extension option. As at June 30, 2026 the Group has utilized ⃁ 6 billion.

### 12.3 Derivative financial instruments

The Group has interest rate hedging contracts with multiple banks with notional amount of ⃁ 14.25 billion as of June 30, 2026 (December 31, 2025: ⃁13.25 billion).

On 23 Shaban 1447H (corresponding to February 11, 2026), the Group has signed interest rate swap hedging contract with bank with notional amount of ⃁1 billion until 2029.

The notional amounts, which provide an indication of the volumes of the transactions outstanding at the end of the period/year, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are not indicative of market risk nor of the Group's exposure to credit risk, which is generally limited to the fair value of the derivatives.

All derivatives as at reporting period are classified as cash flow hedges. Derivatives are classified as non-current or current assets and as non-current or current liabilities, depending on the expiration date of the financial instruments.

The fair values of the derivative financial instruments are summarised in the table below:

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| **Derivative financial instruments assets:** | | |
| **Interest rate swap** | | |
| Non-current | **16,227** | - |
| Current | **29,287** | 55,642 |
| | **45,514** | 55,642 |

(All amounts in thousands ⃁ unless otherwise stated)

## 12. FINANCIAL INSTRUMENTS (CONTINUED)

### 12.3 Derivative financial instruments (continued)

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| **Derivative financial instruments liabilities:** | | |
| **Non-current** | | |
| Interest rate swap | **-** | 200,070 |
| Structured foreign exchange forward contracts* | **13,204** | 8,480 |
| | **13,204** | 208,550 |

* The Group holds several structured foreign exchange forward contracts with a notional amount of USD 25 million (leveraged notional amount USD 50 million) (2025: 25 million USD (leveraged notional amount USD 50 million) being exchanged on a monthly basis, maturing till 2029.

## 13. ACCRUALS AND OTHER PAYABLES

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| Accrued capital projects and other expenses (a) | **43,855,192** | 39,956,764 |
| Accrued finance expenses | **3,305,413** | 3,003,441 |
| Accrued employees' benefits | **1,056,727** | 1,205,427 |
| Dividends payable | **471,336** | 491,245 |
| Other credit balances under settlement (b) | **807,474** | - |
| Accrued government fees (c) | **43,634** | 82,190 |
| Others | **62,174** | 76,323 |
| | **49,601,950** | 44,815,390 |

a) This includes an amount of ⃁23.1 million (2025: ⃁61.6 million) related to liabilities associated with equity accounted investees.

b) The balance resulted from the management’s estimate of the difference between required revenue and actual revenue for the period 2026. It also included the required revenue amendments for the year 2024 by the regulator until it is settled in accordance with the approved rules and regulations.

c) An amount of ⃁ 343.5 million (2025: ⃁362 million) to be received from electricity consumers and payable to government of KSA has been classified along with the related liability to better reflect the substance of the transaction.

## 14. CONTINGENT LIABILITIES

There are certain claims filed by contractors against the Group that are currently under arbitration. Based on the amended claims submitted, the contractors are claiming approximately ⃁ 700 million (December 31, 2025: ⃁ 1.4 billion). The Group has also filed counterclaims against the respective contractors ranging from ⃁ 0.9 billion to ⃁ 1.3 billion (December 31, 2025: ⃁ 3.8 billion to ⃁ 4.4 billion) before the arbitral tribunal. These arbitration proceedings remain ongoing, and management continues to monitor developments and assess their potential financial impact based on the information available as of the reporting date. Based on management's assessment, including the status of the proceedings and advice received from external legal counsel, no additional provision is required in respect of these matters as of the reporting date. The ultimate outcome of these claims and counterclaims is subject to the final resolution of the arbitration proceedings and, accordingly, cannot be determined with certainty at this stage.

(All amounts in thousands ⃁ unless otherwise stated)

## 14. CONTINGENT LIABILITIES (CONTINUED)

In addition, there are other capital project claims amounting ⃁ 613.3 million (December 31, 2025: ⃁ 446.4 million), where the management currently believes that there is no basis for recording any obligation and that the Group's position is strong to date according to the information available to the Group.

During the period, the Group received claims in connection with certain contractual arrangements relating to certain transmission connection facility projects. The matter is currently under review by the relevant stakeholders under the dispute resolution mechanism. As at the reporting date, no final determination has been made regarding the allocation of responsibility, the validity of the claims, or whether any present obligation exists for the Group. Consequently, any agreed amount to be settled by the Group might have an impact on the financial statements as of the date the Group is able to estimate such amount, if any

The Group has provided guarantees to some commercial banks and some other parties with a total amount ⃁ 1.2 billion as at June 30, 2026 (December 31, 2025: ⃁ 1.1 billion).

## 15. COMMITMENT

The capital commitments at the date of the interim condensed consolidated statement of financial position comprises unexecuted portion of capital contracts conducted by the Group for the development and installation of power plants and other assets amounting to ⃁ 217 billion as of June 30, 2026 (December 31, 2025: ⃁ 133 billion).

**Contractual obligations**
The Group has signed contracts to supply all the energy produced from the Group's generation units to the Saudi Power Procurement Company for a specific long-term period, and these contracts are irrevocable.

## 16. ZAKAT

The Group submitted its zakat returns within the statutory period for the year ended on December 31, 2025.

## 17. OPERATING REVENUE

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| Sale of electricity | **20,535,324** | 20,564,752 | **33,980,338** | 32,955,458 |
| Meter reading, maintenance and bills preparation tariff | **396,758** | 389,153 | **790,153** | 776,684 |
| Electricity service connection fees | **783,872** | 739,572 | **1,560,974** | 1,467,806 |
| Transmission system revenue | **503,436** | 402,713 | **1,006,872** | 797,946 |
| Other operating revenue* | **7,734,404** | 4,957,680 | **12,962,887** | 9,462,274 |
| Construction revenue | **909,754** | 668,117 | **1,898,667** | 1,762,203 |
| | **30,863,548** | 27,721,987 | **52,199,891** | 47,222,371 |

* This item includes an amount of ⃁ 12.1 billion, which represents the difference between required revenue and actual regulated revenue based on management’s best estimate for the period ended June 30, 2026 (June 30, 2025: ⃁ 8.7 billion).

(All amounts in thousands ⃁ unless otherwise stated)

## 17. OPERATING REVENUE (CONTINUED)

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| **(Unaudited)** | **2026** | 2025 | **2026** | 2025 |
| Estimated difference of required and actual revenue for the period | **7,206,207** | 4,584,321 | **12,486,725** | 8,741,164 |
| Ex-post adjustment computation for the year 2024** | **-** | - | **(429,211)** | - |
| | **7,206,207** | 4,584,321 | **12,057,514** | 8,741,164 |

** The management has received the ex-post computation for the year 2024 required revenue. Currently, the management is in communication with the regulator on the inclusion of certain items in line with the required revenue determination methodology impacting 2025.

## 18. COST OF REVENUE

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| Fuel | **34,590** | 35,551 | **47,333** | 54,274 |
| Purchased power (note 18.1) | **11,533,723** | 9,808,177 | **18,109,862** | 16,059,149 |
| Operations and maintenance | **5,362,802** | 4,526,018 | **9,873,088** | 8,642,126 |
| Construction cost | **862,029** | 648,254 | **1,694,968** | 1,683,500 |
| Depreciation of property, plant and equipment | **5,715,503** | 5,309,473 | **11,255,013** | 10,466,268 |
| Depreciation of right-of-use assets | **62,005** | 43,829 | **120,922** | 92,363 |
| | **23,570,652** | 20,371,302 | **41,101,186** | 36,997,680 |

### 18.1 Purchased power

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| Purchased power | **16,790,563** | 15,383,416 | **27,298,426** | 25,277,029 |
| Less: Power supplied to SPPC under Energy Conversion Agreement | **(5,256,840)** | (5,575,239) | **(9,188,564)** | (9,217,880) |
| | **11,533,723** | 9,808,177 | **18,109,862** | 16,059,149 |

## 19. FINANCE COSTS, NET

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| **Finance expense** | | | | |
| Bank loans and Sukuk | **3,218,056** | 2,319,807 | **6,021,788** | 4,730,878 |
| Less: Interest capitalised (note 9) | **(1,703,929)** | (1,102,201) | **(3,287,864)** | (2,171,127) |
| | **1,514,127** | 1,217,606 | **2,733,924** | 2,559,751 |
| Interest cost on employees' benefit obligation | **115,414** | 104,397 | **230,828** | 208,794 |
| Lease contract | **5,132** | 5,136 | **9,792** | 12,566 |
| **Total finance expense** | **1,634,673** | 1,327,139 | **2,974,544** | 2,781,111 |
| **Finance income** | | | | |
| Interest income | **(29,503)** | (9,829) | **(41,661)** | (58,997) |
| **Total finance income** | **(29,503)** | (9,829) | **(41,661)** | (58,997) |
| **Net finance costs** | **1,605,170** | 1,317,310 | **2,932,883** | 2,722,114 |

## 20. EARNING PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company less Mudaraba instrument profit by the weighted average number of ordinary shares in issue during the period assuming that all dilutive shares are converted into ordinary shares.

The diluted earnings per share equal to the basic earnings per share for the period ended June 30, 2026 and June 30, 2025 as there are no financial instruments with a dilutive effect on basic earnings per share.

| | **Three-months ended June 30** | | **Six-months ended June 30** | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| Profit for the period | **4,890,751** | 5,284,110 | **6,723,298** | 6,252,088 |
| Less: | | | | |
| Profit attributable to Mudaraba Instrument | **(2,260,038)** | (2,225,866) | **(4,495,239)** | (4,387,843) |
| Adjusted profit for the period | **2,630,713** | 3,058,244 | **2,228,059** | 1,864,245 |
| Weighted average number of ordinary shares outstanding during the period *(in thousands)* | | **4,166,594** | | |
| Basic and diluted earnings per share "⃁" | **0.63** | 0.73 | **0.53** | 0.45 |
| <u>Earnings per share without deducting profits for the Mudaraba instrument</u> | | | | |
| Basic and diluted earnings per share "⃁" | **1.17** | 1.27 | **1.61** | 1.50 |

## 21. RELATED PARTY TRANSACTIONS AND BALANCES

The Group is ultimately controlled by the Government of the Kingdom of Saudi Arabia through the ownership of the main shareholder (Public Investment Fund) and Saudi Aramco and these entities are under common control (all companies ultimately controlled by the Government of the Kingdom of Saudi Arabia). In identifying transactions and balances, the group has applied the exemption of government related entities of IAS 24. Accordingly, only those with significant transactions have been disclosed.

Government entities are defined as ministries, authorities, commissions, and other entities of the Government. On the other hand, Government related entities are defined as PIF, PIF owned entities and related entities.

The transactions with government/government related entities are conducted in the ordinary course of the Group's business based on terms comparable to the terms of transactions enacted with other entities that are not government-related.

(All amounts in thousands ⃁ unless otherwise stated)

## 21. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

**a) Following are the significant transactions carried out with related parties:**

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| **Government and government related entities** | | | | |
| **Operating revenue** | | | | |
| Sale of electricity | **8,829,759** | 9,173,431 | **15,226,094** | 15,068,068 |
| Construction revenue | **909,754** | 668,117 | **1,898,667** | 1,762,203 |
| Transmission system revenue | **503,436** | 402,713 | **1,006,872** | 797,946 |
| **Cost of revenue** | | | | |
| Purchase of energy, net | **11,445,911** | 9,808,177 | **18,021,962** | 16,059,149 |

**b) Period/year end balances arising from transactions with related parties:**

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| **Government and government related entities** | | |
| Accounts receivable, gross | **10,791,964** | 16,634,433 |
| Other receivables, gross | **130,780** | 220,289 |
| Contract assets | **1,236,248** | 429,484 |
| Trade payables and accruals | **979,136** | 210,218 |
| Deferred government grant | **1,194,602** | 1,118,039 |
| Contract liability | **1,135,622** | 1,921,984 |

**Loans and advances due from related parties, gross**

The balance comprises loans extended to certain joint ventures and associates amounting to ⃁ 1,187 million (Dec 31, 2025: ⃁ 1,187 million).

**c) Compensation of key management personnel**

Key management personal includes the Board of Directors and members of executive committee. The compensation paid or payable to key management personal for employees' services is shown below:

| | Three-months ended June 30 | | Six-months ended June 30 | |
|---|---|---|---|---|
| (Unaudited) | **2026** | 2025 | **2026** | 2025 |
| Salaries, compensation and allowances | **4,424** | 4,441 | **8,840** | 8,358 |
| Employees' end of service and other benefits | **-** | - | **16,178** | 14,297 |
| | **4,424** | 4,441 | **25,018** | 22,655 |

(All amounts in thousands ⃁ unless otherwise stated)

## 22. DIVIDENDS

On 18 Thul Qadah 1447H, corresponding to May 5, 2026, the general assembly approved the distribution cash dividends for the financial year 2025 to the shareholders of the Group amounting to ⃁ 2.9 billion, equivalent to ⃁ 0.70 per share (representing 7% of the par value of the share).

## 23. NON-CASH TRANSACTIONS

The statement of cash flows has been affected by the impact of non-cash transactions as follows:

| (Unaudited) | **June 30, 2026** | June 30, 2025 |
|---|---|---|
| Addition in right of use assets | **16,301** | 34,591 |
| Lease liabilities recognized | **16,301** | 34,591 |
| Disposal of equity accounted investee | **-** | 1,000 |
| Transfer of Mudaraba instrument from trade payables to equity | **-** | 5,687,333 |
| Investment in equity accounted investees | **30,000** | - |
| Transfer from investment properties to property, plant and equipment | **122,812** | - |
| Transfer from property, plant and equipment to intangible assets | **546,547** | - |
| Transfer from property, plant and equipment to prepayments and other receivables | **306,107** | - |

## 24. SUBSEQUENT EVENT

Except for below, there have been no significant subsequent events which would require either a disclosure or have a material impact on these interim condensed consolidated financial statements.

- On Moharram 28, 1448H (corresponding to July 13, 2026) the Group signed an international facility with international bank amounting to USD 1 billion (⃁ 3.75 billion) for 5 years.

- On Safar 13, 1448H (corresponding to July 27, 2026) the Group signed a Murabaha syndicated financing facility with domestic banks amounting to ⃁ 15.8 billion for 7 years.

## 25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the six-months period ended June 30, 2026, were approved for issuance by the Board of Directors of the Group on Safar 20, 1448H (corresponding to August 3, 2026).