

**ELECTRICAL INDUSTRIES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**  
**WITH**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**Electrical Industries Company**  
**(A Saudi Joint Stock Company)**

**Condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ﷲ unless otherwise stated)**

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## KPMG Professional Services Company

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6189 Prince Turki Road, Al Corniche  
P.O. Box 4803  
Al Khobar, 34412 - 3146  
Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## شركة كي بي إي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البرغاش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Electrical Industries Company (A Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying 31 March 2026 condensed consolidated interim financial statements of Electrical Industries Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 March 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Electrical Industries Company (A Saudi Joint Stock Company) (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed consolidated interim financial statements of Electrical Industries Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company

**Abdullah Oudah Althagafi**  
License No: 455



Al Khobar, 29 April, 2026G.  
Corresponding to: 12 Dhul Qadah, 1447H.

**Electrical Industries Company**  
(A Saudi Joint Stock Company)

**Condensed consolidated statement of financial position**

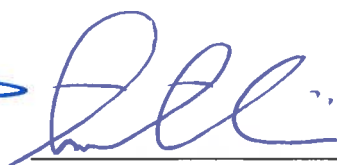
As at 31 March 2026

(All amounts stated in # unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	462,370,773	434,603,710
Right of use assets	4	19,759,137	17,000,166
Intangible assets		5,377,444	6,074,536
Financial assets at fair value through other comprehensive income	13	21,789,118	21,800,702
<b>Total non-current assets</b>		<b>509,296,472</b>	<b>479,479,114</b>
<b>Current assets</b>			
Inventories	5	903,036,957	873,408,869
Trade receivables	6	874,472,231	835,235,350
Prepayments and other current assets	7	56,838,728	56,921,371
Cash and cash equivalents		244,095,598	350,381,125
<b>Total current assets</b>		<b>2,078,443,514</b>	<b>2,115,946,715</b>
<b>Total assets</b>		<b>2,587,739,986</b>	<b>2,595,425,829</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		562,500,000	562,500,000
Treasury shares		(9,861,621)	(9,861,621)
Foreign currency translation reserve		1,016,686	2,865,827
Share based payment reserve		5,590,503	4,565,657
Fair value reserve		152,613	164,197
Retained earnings		787,916,308	737,770,961
<b>Total equity</b>		<b>1,347,314,489</b>	<b>1,298,005,021</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		16,004,205	14,277,087
Employees' benefits		137,176,191	133,998,449
Long term provision		12,063,643	12,262,358
<b>Total non-current liabilities</b>		<b>165,244,039</b>	<b>160,537,894</b>
<b>Current liabilities</b>			
Short-term murabaha borrowings	9	15,593,807	15,094,547
Trade payables		168,855,276	196,900,840
Advances from customers		622,052,670	662,277,100
Accrued expenses and other current liabilities	8	221,606,338	226,805,151
Current portion of lease liabilities		3,486,410	2,704,676
Zakat and income tax liabilities	12	43,586,957	33,100,600
<b>Total current liabilities</b>		<b>1,075,181,458</b>	<b>1,136,882,914</b>
<b>Total liabilities</b>		<b>1,240,425,497</b>	<b>1,297,420,808</b>
<b>Total equity and liabilities</b>		<b>2,587,739,986</b>	<b>2,595,425,829</b>



Yousef Al Quraishi  
(Designated member)



Tariq Al Tahini  
(Managing Director)



Medhat A. Ghaleb  
(EVP Finance and IT)

The accompanying notes 1 through 17 form an integral part of these condensed consolidated interim financial statements.

**Electrical Industries Company**  
(A Saudi Joint Stock Company)

**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the three-month period ended 31 March 2026**  
(All amounts stated in ﷻ unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	14	661,434,873	506,685,825
Cost of revenue		(411,567,317)	(321,092,091)
<b>Gross profit</b>		<b>249,867,556</b>	<b>185,593,734</b>
Selling and distribution expenses		(20,311,335)	(18,291,874)
General and administrative expenses		(25,621,855)	(26,894,688)
Impairment loss on trade receivables		(930,388)	(2,660,905)
Other operating (expenses) / income, net		(333,489)	147,024
<b>Operating profit</b>		<b>202,670,489</b>	<b>137,893,291</b>
Finance income		1,971,699	-
Finance cost		(3,250,952)	(3,317,659)
<b>Profit before zakat and income tax</b>		<b>201,391,236</b>	<b>134,575,632</b>
Zakat and income tax expense	12	(10,620,889)	(11,144,700)
<b>Profit for the period</b>		<b>190,770,347</b>	<b>123,430,932</b>
<b>Other comprehensive (loss) / income</b>			
<i>Items that may be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i>			
Foreign operations - foreign currency translation differences		(1,849,141)	1,965,665
<i>Items that will not be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i>			
Equity investments at FVOCI – net change in fair value	13	(11,584)	(76,591)
<b>Other comprehensive (loss) / income for the period</b>		<b>(1,860,725)</b>	<b>1,889,074</b>
<b>Total comprehensive income for the period</b>		<b>188,909,622</b>	<b>125,320,006</b>
<b>Earnings per share (ﷻ)</b>			
Basic	10	0.17	0.11
Diluted	10	0.17	0.11



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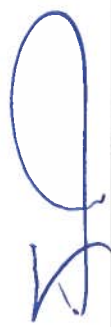
**Electrical Industries Company  
(A Saudi Joint Stock Company)**

**Condensed consolidated statement of changes in equity  
For the three-month period ended 31 March 2026  
(All amounts stated in \$ unless otherwise stated)**

	Share capital	Treasury shares	Share based payment reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
As at 1 January 2025 (Audited)	562,500,000	(9,861,621)	1,919,741	(3,404,645)	454,546	394,453,743	946,061,764
<i>Total comprehensive income for the period</i>	-	-	-	-	-	123,430,932	123,430,932
Profit for the period	-	-	-	1,965,665	(76,591)	-	1,889,074
Other comprehensive income for the period	-	-	-	1,965,665	(76,591)	123,430,932	125,320,006
Total comprehensive income for the period	-	-	-	-	-	-	-
Share based compensation	-	-	71,292	-	-	-	71,292
Dividends (note 16)	-	-	-	-	-	-	-
As at 31 March 2025 (Unaudited)	562,500,000	(9,861,621)	1,991,033	(1,438,980)	377,955	377,259,675	930,828,062
As at 1 January 2026 (Audited)	562,500,000	(9,861,621)	4,565,657	2,865,827	164,197	737,770,961	1,298,005,021
<i>Total comprehensive income for the period</i>	-	-	-	-	-	190,770,347	190,770,347
Profit for the period	-	-	-	(1,849,141)	(11,584)	-	(1,860,725)
Other comprehensive loss for the period	-	-	-	(1,849,141)	(11,584)	190,770,347	188,909,622
Total comprehensive income for the period	-	-	-	-	-	-	-
Share based compensation	-	-	1,043,691	-	-	-	1,043,691
Utilisation of share-based payment reserve	-	-	(18,845)	-	-	-	(18,845)
Dividends (note 16)	-	-	1,024,846	-	-	-	1,024,846
As at 31 March 2026 (Unaudited)	562,500,000	(9,861,621)	5,590,503	1,016,686	152,613	787,916,308	1,347,314,489

  
Yousef Al Quraishi  
(Designated member)

  
Tariq Al Tahini  
(Managing Director)

  
Medhat A. Ghaleb  
(EVP Finance and IT)

The accompanying notes 1 through 17 form an integral part of these condensed consolidated interim financial statements.



**Electrical Industries Company**  
(A Saudi Joint Stock Company)

**Condensed consolidated statement of cash flows**  
**For the three-month period ended 31 March 2026**  
(All amounts stated in ~~Rs~~ unless otherwise stated)

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before zakat and income tax	201,391,236	134,575,632
<i>Adjustments for:</i>		
Depreciation and amortization	8,828,548	8,157,671
Impairment loss on trade receivables	930,388	2,660,905
Net realizable value adjustment	(1,538,005)	118,458
Finance cost	3,250,952	3,317,659
Share based payment expense	1,043,691	71,292
Employees' benefits obligations	3,954,842	3,583,731
Loss on disposal of property, plant and equipment	-	4,980
Unrealised foreign exchange loss	1,007,751	-
	<b>218,869,403</b>	<b>152,490,328</b>
<i>Changes in:</i>		
Inventories	(29,257,197)	72,953,806
Trade receivables	(41,880,501)	(57,140,804)
Prepayment and other current assets	(388,046)	(23,598,769)
Trade payables	(25,148,286)	(41,820,761)
Advances from customers	(40,224,430)	44,368,486
Accrued expenses and other current liabilities	(5,198,813)	28,339,557
<b>Cash generated from operations</b>	<b>76,772,130</b>	<b>175,591,843</b>
Finance cost paid	(3,729,655)	(4,042,800)
Employees' benefits paid	(777,100)	(985,065)
Zakat and income tax refund / (payment)	361,825	(1,569,495)
<b>Net cash generated from operating activities</b>	<b>72,627,200</b>	<b>168,994,483</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(39,873,051)	(21,374,485)
Proceeds from disposal of property, plant and equipment	2,346,023	-
<b>Net cash used in investing activities</b>	<b>(37,527,028)</b>	<b>(21,374,485)</b>
<b>Cash flows from financing activities</b>		
Net changes in short-term murabaha borrowings	779,247	(36,119,740)
Payment of lease liabilities	(1,054,068)	(865,603)
Payment against share based payments reserve	(18,845)	-
Dividends paid	(140,625,000)	-
<b>Net cash used in financing activities</b>	<b>(140,918,666)</b>	<b>(36,985,343)</b>
<b>Net change in cash and cash equivalents</b>	<b>(105,818,494)</b>	<b>110,634,655</b>
Cash and cash equivalents at beginning of the period	350,381,125	188,914,979
Effect of exchange rate fluctuations on cash and cash equivalents	(467,033)	2,201,473
<b>Cash and cash equivalents at end of the period</b>	<b>244,095,598</b>	<b>301,751,107</b>
<b>Significant non-cash transactions</b>		
Additions to right of use assets and lease liabilities	3,585,364	8,484,544
Exchange differences on lease liabilities	(22,444)	624,883
Exchange differences on right of use assets	22,210	510,357
Exchange differences on property, plant and equipment	2,432,366	155,723
Dividends payable	-	140,625,000

  
Yousef Al Qurashi  
(Designated member)

  
Tariq Al Tahini  
(Managing Director)

  
Medhat A. Ghaleb  
(EVP Finance and IT)

The accompanying notes 1 through 17 form an integral part of these condensed consolidated interim financial statements.

**Electrical Industries Company**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ₪ unless otherwise stated)**

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**1. CORPORATE INFORMATION**

Electrical Industries Company (the “Company” or “EIC”) and its subsidiaries (collectively the “Group”) consist of the Company and its following subsidiaries registered as limited liability companies:

	Effective ownership at	
	31 March 2026	31 December 2025
<b><u>Kingdom of Saudi Arabia:</u></b>		
Wahah Electric Supply Company of Saudi Arabia Limited (“WESCOSA”)	100%	100%
Saudi Transformers Company Limited (“STC”)	100%	100%
Saudi Power Transformers Company Limited (“SPTC”)	100%	100%
<b><u>United Arab Emirates:</u></b>		
Gulf Electrical Equipment Company L.L.C. (“GEEC”)	100%	100%
<b><u>Belgium:</u></b>		
Pauwels Transformers NV (“PTNV”) (100% owned by GEEC)	100%	100%

The Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 2050056359 issued in Dammam on 22 Shaban 1428H (4 September 2007). These condensed consolidated interim financial statements includes the operations of the Company and its above-mentioned subsidiaries. The registered address of the Company is P.O. Box 6033, Al Khobar 31442, Kingdom of Saudi Arabia.

The Group is principally engaged in the manufacturing, assembly, supply and repair and maintenance of transformers, compact substations and low voltage distribution panels, electrical distribution boards, cable trays, switch gears and other electrical equipment as well as provision of technical services relating to these activities.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on 27 April 2026G (corresponding to 10 Dhul Qadah 1447H).

**Geopolitical developments**

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Group’s operations are conducted within GCC region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's financial statements for the period ended 31 March 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group’s business will continue to be assessed on future reporting dates.

**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**

**2.1 Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025 (“Last Annual Consolidated Financial Statements”). However, changes in accounting policies, if any, and selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group’s consolidated financial position and performance since the last annual consolidated financial statements.

**Electrical Industries Company**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ﷻ unless otherwise stated)**

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**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)**

**2.2 Basis of preparation**

These condensed consolidated interim financial statements have been prepared on a going concern basis, applying a historical cost convention, except for employees' benefits obligation which is recognized at the present value of future obligations using the Projected Unit Credit Method, employee share options program and financial assets classified as fair value through other comprehensive income items that have been measured at fair value.

**2.3 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals ("ﷻ") which is the functional and presentation currency of the Group.

**2.4 Use of judgements and estimates**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates 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. Significant judgments 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 Last Annual Consolidated Financial Statements.

**2.5 Material accounting policies**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

A number of amendments to existing standards, as detailed in note 2.6 below, became effective from 1 January 2026 but they do not have a material effect on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2.6 New standards, amendments and interpretations**

**a) New and revised standards with no material effect on the condensed consolidated interim financial statements**

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods:

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026 - Amendments to:
  - 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
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026;

**Electrical Industries Company**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ﷲ unless otherwise stated)**

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**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)**

**2.6 New standards, amendments and interpretations (Continued)**

**b) New and revised standards issued but not yet effective**

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective:

- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027; and
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

The above-mentioned standards are not expected to have a significant impact on the condensed consolidated interim financial statements.

**3. PROPERTY, PLANT AND EQUIPMENT**

The movement of property, plant and equipment is as follows:

	<u>2026</u>	<u>2025</u>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Carrying value at the beginning of the period	<b>434,603,710</b>	273,156,644
Additions	<b>39,873,051</b>	21,374,485
Disposals	<b>(2,346,023)</b>	(4,980)
Exchange differences	<b>(2,432,366)</b>	155,723
Depreciation for the period	<b>(7,327,599)</b>	(6,270,271)
Carrying value at the end of the period	<b>462,370,773</b>	288,411,601

Property, plant and equipment includes capital work in progress amounting to ﷲ 88.5 million (31 December 2025: ﷲ 69.5 million).

**Electrical Industries Company**  
(A Saudi Joint Stock Company)

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ﷲ unless otherwise stated)**

**4. RIGHT OF USE ASSETS**

The movement of right of use assets is as follows:

	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	17,000,166	22,407,591
Additions	3,585,364	8,484,544
Exchange differences	(22,210)	510,356
Depreciation for the period	(804,183)	(1,260,565)
Carrying value at the end of the period	<u>19,759,137</u>	<u>30,141,926</u>

**5. INVENTORIES**

	<u>31 March</u>	<u>31 December</u>
	2026	2025
	(Unaudited)	(Audited)
Raw materials	450,176,072	426,949,614
Work-in-progress	208,381,370	257,434,749
Finished goods	139,533,084	133,323,485
Goods-in-transit	117,534,975	71,773,635
Spare parts and supplies, not held for sale	11,939,447	10,986,923
	<u>927,564,948</u>	<u>900,468,406</u>
Less: net realisable value adjustment	(24,527,991)	(27,059,537)
	<u>903,036,957</u>	<u>873,408,869</u>

**6. TRADE RECEIVABLES**

	<u>Note</u>	<u>31 March</u>	<u>31 December</u>
		2026	2025
		(Unaudited)	(Audited)
Trade receivables		903,380,586	853,586,527
Unbilled receivables		-	9,626,789
		<u>903,380,586</u>	<u>863,213,316</u>
Less: Impairment loss on trade receivables		(29,888,355)	(28,957,966)
		<u>873,492,231</u>	<u>834,255,350</u>
Due from a related party	15b	980,000	980,000
		<u>874,472,231</u>	<u>835,235,350</u>

**7. PREPAYMENTS AND OTHER CURRENT ASSETS**

		<u>31 March</u>	<u>31 December</u>
		2026	2025
		(Unaudited)	(Audited)
Advances to suppliers		24,835,460	27,316,712
Advances to employees		14,285,205	15,056,226
Value added tax refundable		9,240,924	10,287,783
Prepaid expenses		7,019,743	2,963,993
Advance income tax	12	-	470,689
Others		1,457,396	825,968
		<u>56,838,728</u>	<u>56,921,371</u>

**Electrical Industries Company**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ﷻ unless otherwise stated)**

**8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Goods received, not invoiced	<b>110,142,588</b>	70,720,547
Accrued expenses	<b>83,435,134</b>	134,142,040
Warranty provision	<b>17,482,033</b>	12,526,359
Others	<b>10,546,583</b>	9,416,205
	<b><u>221,606,338</u></b>	<u>226,805,151</u>

**9. SHORT TERM BORROWINGS**

*Short-term murabaha borrowings:*

These represent short-term murabaha borrowings obtained from commercial banks which bear financial charges at prevailing market rates.

**10. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	2025
	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to the shareholders of Electrical Industries Company	<b>190,770,347</b>	123,430,932
Weighted average number of ordinary shares for basic earnings per share	<b>1,112,500,000</b>	1,112,500,000
Weighted average number of ordinary shares deemed to be issued under employee share incentive program	<b>9,160,049</b>	7,127,694
Weighted average number of ordinary shares for diluted earnings per share	<b>1,121,660,049</b>	1,119,627,694
Basic earnings per share	<b>0.17</b>	0.11
Diluted earnings per share	<b>0.17</b>	0.11

Weighted average number of ordinary shares outstanding as at 31 March 2026 and 2025 are adjusted by weighted average number of treasury shares bought back by the Company for the purpose of issuing shares under the employee share incentive program.

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**11. CONTINGENCIES AND COMMITMENTS**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
<i>Contingencies</i>		
Bank guarantees	<b>770,071,029</b>	771,247,208
Letters of credit	<b>280,492,951</b>	401,659,164
<i>Commitments</i>		
Capital expenditure	<b>96,249,757</b>	120,441,313

11.1. During 2024, the Group recognised an expense of ₪ 26.1 million related to a penalty imposed by the General Authority for Competition (“the Authority”). Although the Group received favorable rulings from both the Administrative Court and the Administrative Court of Appeal; however, the Authority has filed further appeal with the Supreme Administrative Court. Accordingly, as the final outcome of the matter remains pending as at 31 March 2026, the Group has not reversed the previously recognized penalty.

**12. ZAKAT AND INCOME TAX LIABILITIES**

The movement in zakat and income tax liabilities is as follows:

	<b>31 March 2026</b>	31 December 2025	31 March 2025
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Balance at the beginning of the period / year	<b>32,629,911</b>	23,298,715	23,298,714
Charge for the period / year	<b>10,620,889</b>	34,216,516	11,144,700
Charge related to prior years	-	18,206	-
	<b>10,620,889</b>	34,234,722	11,144,700
Effect of movements in exchange rates	<b>(25,668)</b>	(47,700)	36,437
Refunds / (payments) during the period / year	<b>361,825</b>	(24,855,826)	(1,569,495)
Advance income tax re-classified to prepayments and other current assets	-	470,689	-
Balance at the end of the period / year	<b>43,586,957</b>	33,100,600	32,910,356

The Group has obtained zakat certificates from Zakat, Tax and Customs Authority (“ZATCA”) for the years through 2024. ZATCA has finalized the Group’s zakat assessments for the years through 2024.

Pauwels Transformers N.V. has filed income tax declarations with the tax authorities of Belgium for the years through 2024, however no assessments have been raised by the tax authorities.

**13. FAIR VALUE MEASUREMENT**

The Group’s principal financial assets include cash and cash equivalents, investments classified as fair value through other comprehensive income, trade and certain other receivables that arise directly from its operations. The Group’s principal financial liabilities comprise of short-term loans and trade and other payables.

*Fair values hierarchy*

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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**13. FAIR VALUE MEASUREMENT (Continued)**

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no such transfers during the periods ended 31 March 2026 and 2025 respectively.

The table below presents the financial assets at their fair values as at 31 March 2026 and 31 December 2025 based on the fair value hierarchy:

<b>Financial Assets at FVOCI</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2026</b>				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	239,118	-	-	239,118
<b>Total as at 31 March 2026 (Unaudited)</b>	<b>239,118</b>	<b>-</b>	<b>21,550,000</b>	<b>21,789,118</b>
<b>31 December 2025</b>				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	250,702	-	-	250,702
<b>Total as at 31 December 2025 (Audited)</b>	<b>250,702</b>	<b>-</b>	<b>21,550,000</b>	<b>21,800,702</b>

As on 31 March 2026, the Group has investment of ﷻ21.55 million (31 December 2025: ﷻ21.55 million) in a non-listed company which is classified as level 3. This represents the cost of investment which approximates to its fair value as on 31 March 2026 and 31 December 2025.

Further, the Group has invested in the shares of a listed company, which have been valued using Level 1 fair value hierarchy. Therefore, the fair value is calculated with reference to the quoted price as on 31 March 2026 and 31 December 2025. The Group has recorded fair value loss of ﷻ11,584 in other comprehensive income during the three-month period ended 31 March 2026 (three-month period ended 31 March 2025: ﷻ76,591 fair value loss).

As at 31 March 2026 and 31 December 2025, the fair values of the Group's financial instruments, other than those mentioned above, are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of condensed consolidated statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

**14. SEGMENT INFORMATION**

The Board of Directors monitors the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segments profits and is measured consistently in the condensed consolidated interim financial statements.

The Group operates principally in the following two operating segments and these are identified as operating segments based on the products and services offered:

- Manufacturing, assembly and supply of various types of electrical equipment; and
- Provision of technical services.

No operating segments have been aggregated to form reportable operating segments. There is no inter-segment revenue.

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**14. SEGMENT INFORMATION (Continued)**

**(a) Information about reportable segments**

Selected financial information as of 31 March 2026 and 31 December 2025 and for the three-month periods ended 31 March 2026 and 2025, summarized by the above operating segments, is as follows:

<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	<b>Manufacturing, assembly &amp; supply</b>	<b>Services</b>	<b>Total</b>
Revenue from external customers	640,706,269	20,728,604	661,434,873
Cost of revenue	(394,178,734)	(11,004,626)	(405,183,360)
Selling and distribution expenses	(18,620,887)	(1,271,708)	(19,892,595)
General and administrative expenses	(23,712,990)	(1,383,963)	(25,096,953)
Depreciation of property, plant and equipment	(6,625,277)	(702,322)	(7,327,599)
Other operating (expenses) / income	(360,950)	27,461	(333,489)
<b>Segment results</b>	<b>197,207,431</b>	<b>6,393,446</b>	<b>203,600,877</b>
<b>As at 31 March 2026 (Unaudited)</b>			
Segment assets	2,144,541,485	95,338,476	2,239,879,961
Segment liabilities	164,411,682	4,443,594	168,855,276
<b>For the three-month period ended 31 March 2025 (Unaudited)</b>	<b>Manufacturing, assembly &amp; supply</b>	<b>Services</b>	<b>Total</b>
Revenue from external customers	477,867,894	28,817,931	506,685,825
Cost of revenue	(307,165,208)	(9,765,618)	(316,930,826)
Selling and distribution expenses	(16,010,343)	(1,934,897)	(17,945,240)
General and administrative expenses	(23,879,356)	(1,252,960)	(25,132,316)
Depreciation of property, plant and equipment	(5,609,943)	(660,328)	(6,270,271)
Other operating income	144,444	2,580	147,024
<b>Segment results</b>	<b>125,347,488</b>	<b>15,206,708</b>	<b>140,554,196</b>
<b>As at 31 December 2025 (Audited)</b>			
Segment assets	2,028,548,018	114,699,911	2,143,247,929
Segment liabilities	194,724,743	2,176,097	196,900,840

Finance cost, finance income, zakat and income tax expense and expected credit loss allowance are not allocated to individual segments as the underlying instruments are managed on a group basis.

Certain financial and non-financial assets such as financial assets at fair value through other comprehensive income, right of use assets, intangible assets, prepayments and other current assets and cash and cash equivalents are not allocated to individual segments as they are managed on a group basis.

Certain financial and non-financial liabilities such as zakat and income tax liabilities, lease liabilities, employee benefit obligations, loans and borrowings, dividends payable, advances from customers, long term provision and accrued expenses and other current liabilities are not allocated to individual segments as they are also managed on a group basis.

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**14. SEGMENT INFORMATION (Continued)**

**(b) Reconciliation of information on reportable segments to the amount reported in the condensed consolidated interim financial statements:**

**Reconciliation of profit before zakat and income tax**

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Segments results	<b>203,600,877</b>	140,554,196
Finance income	<b>1,971,699</b>	-
Finance cost	<b>(3,250,952)</b>	(3,317,659)
Provision of expected credit loss allowance	<b>(930,388)</b>	(2,660,905)
<b>Profit before zakat and income tax</b>	<b>201,391,236</b>	<b>134,575,632</b>

As at 31 March 2026, segment assets did not include unallocated assets amounting to ﷲ 348 million (31 December 2025: ﷲ 452 million).

As at 31 March 2026, segment liabilities did not include unallocated liabilities amounting to ﷲ 1,072 million (31 December 2025: ﷲ 1,101 million).

**(c) Geographic information**

The revenue for the three-month periods ended 31 March 2026 and 2025, categorized by the geographical segments is as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Kingdom of Saudi Arabia	<b>585,681,817</b>	445,448,665
Other countries	<b>75,753,056</b>	61,237,160
	<b>661,434,873</b>	<b>506,685,825</b>

The non-current operating assets of the Group as at 31 March 2026 and 31 December 2025 are categorized by the geographical segments as follows:

	<b>31 March 2026</b>	<b>31 December 2025</b>
		<b>(Unaudited)</b>
Kingdom of Saudi Arabia	<b>391,520,132</b>	358,026,629
Belgium	<b>95,987,222</b>	99,651,783
	<b>487,507,354</b>	<b>457,678,412</b>

Non-current operating assets for this purpose consist of property, plant and equipment, right of use assets, and intangible assets.

**15. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties include the Company's major shareholders having control or significant influence, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties ("Other Related Parties"). Terms and conditions of these transactions are approved by the Group's management. Following is the list of related parties of the Group.

<b><u>Name of related party</u></b>	<b><u>Nature of relationship</u></b>
Ajda Industrial Services Company ("AIS")	Major Shareholder
Saad Abdullah Al-Tuwaijri Sons Holding Company	Major Shareholder
Evolving Constellation Company for Energy ("EVOSTEL")	Subsidiary of major shareholder
Al Toukhi Company for Industrial Trading and Contracting	Subsidiary of major shareholder

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**15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

a) *Following are the significant transactions entered into by the Group:*

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Evolving Constellation Company for Energy (“EVOSTEL”)</b>		
Costs and expenses charged by a related party	83,232	-

b) *Balances with related parties:*

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Due from a related party</b>		
Al Toukhi Company for Industrial Trading and Contracting	980,000	980,000
	<b>980,000</b>	<b>980,000</b>

c) *Key management personnel compensation:*

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and other short-term employee benefits	6,878,050	5,465,789
Employees’ end of service benefits	489,832	197,952
Share based payment expense	23,303	10,726
Board of directors’ fees	1,064,625	1,030,875
	<b>8,455,810</b>	<b>6,705,342</b>

Advances to employees includes advances to key management personnel amounting to ₪ 2.1 million as of 31 March 2026 (31 December 2025: ₪ 2.5 million).

**16. DIVIDENDS**

The Company’s Board of Directors, authorized by the shareholders, has resolved in their meetings held on 2 March 2026 to distribute cash dividends for the second half of the year 2025 amounting to ₪ 140.625 million (at ₪ 0.125 per share). The dividends were paid to the shareholders on 29 March 2026.

The Company’s Board of Directors recommended in its meeting held on 2 March 2026 to distribute additional cash dividends for the year 2025 amounting to ₪ 281.250 million (at ₪ 0.25 per share). The Company is in process of obtaining the approvals from the General Assembly on the distribution of additional cash dividends.

The Company’s Board of Directors, authorized by the shareholders, has resolved in their meetings held on 6 March 2025 to distribute cash dividends for the second half of the year 2024 amounting to ₪ 140.625 million (at ₪ 0.125 per share). The dividends were paid to the shareholders on 13 April 2025.

**17. SUBSEQUENT EVENTS**

There are no significant subsequent events occurred between 31 March 2026 and the date of approval of these condensed consolidated interim financial statements which may have material impact on these condensed consolidated interim financial statements.