

ELECTRICAL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2025
WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**

Electrical Industries Company
(A Saudi Joint Stock Company)

Condensed consolidated interim financial statements with independent auditor's review report
For the three and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

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Commercial Registration No 2051062328

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البَرْعاش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبور ٣٤٤١٢ - ٣١٤٦
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 30 September 2025 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 30 September 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025; 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.

Electrical Industries Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of financial position

As at 30 September 2025

(All amounts stated in \$ unless otherwise stated)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	330,564,705	273,156,644
Right-of-use assets	4	28,651,723	22,407,591
Intangible assets		7,221,888	7,686,787
Financial assets at fair value through other comprehensive income	13	21,831,756	22,078,242
Total non-current assets		388,270,072	325,329,264
Current assets			
Inventories	5	898,488,624	756,634,124
Trade receivables	6	725,052,188	618,975,599
Prepayments and other current assets	7	49,499,437	61,134,168
Cash and cash equivalents		300,559,789	188,914,979
Total current assets		1,973,600,038	1,625,658,870
Total assets		2,361,870,110	1,950,988,134
EQUITY AND LIABILITIES			
Equity			
Share capital		562,500,000	562,500,000
Treasury shares		(9,861,621)	(9,861,621)
Foreign currency translation reserve		2,648,226	(3,404,645)
Share based payment reserve		3,151,086	1,919,741
Fair value reserve		208,059	454,546
Retained earnings		534,418,906	394,453,743
Total equity		1,093,064,656	946,061,764
Liabilities			
Non-current liabilities			
Lease liabilities		28,150,839	22,694,864
Employees' benefits		124,036,942	115,065,631
Total non-current liabilities		152,187,781	137,760,495
Current liabilities			
Short-term murabaha borrowings	9	37,993,354	66,424,824
Trade payables		169,042,266	142,223,945
Advances from customers		565,512,693	474,053,825
Accrued expenses and other current liabilities	8	310,608,640	158,773,576
Current portion of lease liabilities		3,876,299	2,056,958
Zakat and income tax liabilities	12	29,584,421	23,632,747
Total current liabilities		1,116,617,673	867,165,875
Total liabilities		1,268,805,454	1,004,926,370
Total equity and liabilities		2,361,870,110	1,950,988,134


Yousef Al Quraishi
(Designated member)


Tariq Al Tahmi
(Managing Director)


Medhat A. Ghaleb
(EVP Finance and IT)

The accompanying notes 1 through 18 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 and nine-month periods ended 30 September 2025
(All amounts stated in ~~Rs~~ unless otherwise stated)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	14	560,023,469	505,846,108	1,598,066,902	1,542,823,203
Cost of revenue		(336,491,903)	(320,075,876)	(997,696,296)	(1,039,102,657)
Gross profit		223,531,566	185,770,232	600,370,606	503,720,546
Selling and distribution expenses		(21,046,415)	(18,108,225)	(56,629,022)	(54,713,084)
General and administrative expenses		(32,866,417)	(28,591,988)	(85,570,984)	(92,658,187)
Provision of expected credit loss allowance		2,497,476	(4,407,993)	(163,429)	(9,631,907)
Other operating income / (expenses)		954,402	433,649	3,019,145	(450,862)
Operating profit		173,070,612	135,095,675	461,026,316	346,266,506
Finance cost		(3,294,303)	(8,170,502)	(9,437,111)	(26,349,436)
Profit before zakat and income tax		169,776,309	126,925,173	451,589,205	319,917,070
Zakat and income tax expense	12	(8,709,158)	(5,572,070)	(30,374,042)	(22,720,252)
Profit for the period		161,067,151	121,353,103	421,215,163	297,196,818
Other comprehensive income / (loss)					
<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		(184,718)	1,698,498	6,052,871	601,618
<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		(52,495)	187,662	(246,487)	312,682
Other comprehensive (loss) / income for the period		(237,213)	1,886,160	5,806,384	914,300
Total comprehensive income for the period		160,829,938	123,239,263	427,021,547	298,111,118

Earnings per share (Rs)

Basic	10	0.14	0.11	0.38	0.27
Diluted	10	0.14	0.11	0.38	0.27


Yousef Al Quraishi
(Designated member)


Tariq Al Tahini
(Managing Director)


Medhat A. Ghaleb
(EVP Finance and IT)

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Electrical Industries Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of changes in equity
For the nine-month period ended 30 September 2025
(All amounts stated in \$ unless otherwise stated)

	Share capital	Statutory reserve	Treasury shares	Share based payment reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
As at 1 January 2024 (Audited)	562,500,000	62,175,598	(9,861,621)	1,501,809	(980,490)	264,516	129,198,585	744,798,397
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	-	-	297,196,818	297,196,818
Other comprehensive income for the period	-	-	-	-	601,618	312,682	-	914,300
Total comprehensive income for the period	-	-	-	-	601,618	312,682	297,196,818	298,111,118
Share based compensation	-	-	-	507,056	-	-	-	507,056
Utilization of share-based payment reserve	-	-	-	(1,839,480)	-	-	-	(1,839,480)
	-	-	-	(1,332,424)	-	-	-	(1,332,424)
Dividends (note 16)	-	-	-	-	-	-	(196,875,000)	(196,875,000)
Transfer to retained earnings	-	(62,175,598)	-	-	-	-	62,175,598	-
As at 30 September 2024 (Unaudited)	562,500,000	-	(9,861,621)	169,385	(378,872)	577,198	291,696,001	844,702,091
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>								
Profit for the period	-	-	-	-	-	-	421,215,163	421,215,163
Other comprehensive income / (loss) for the period	-	-	-	-	6,052,871	(246,487)	-	5,806,384
Total comprehensive income for the period	-	-	-	-	6,052,871	(246,487)	421,215,163	427,021,547
Share based compensation	-	-	-	6,842,795	-	-	-	6,842,795
Utilization of share-based payment reserve	-	-	-	(5,611,450)	-	-	-	(5,611,450)
	-	-	-	1,231,345	-	-	-	1,231,345
Dividends (note 16)	-	-	-	-	-	-	(281,250,000)	(281,250,000)
As at 30 September 2025 (Unaudited)	562,500,000	-	(9,861,621)	3,151,086	2,648,226	208,059	534,418,900	1,095,864,656

Yousef Al Quraishi
(Designated member)

Tariq Al Tahini
(Managing Director)

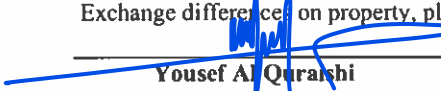
Medhat A. Ghaleb
(EVP Finance and IT)

The accompanying notes 1 through 18 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 nine-month period ended 30 September 2025
(All amounts stated in ~~Rs~~ unless otherwise stated)

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before zakat and income tax	451,589,205	319,917,070
<i>Adjustment for:</i>		
Depreciation and amortization	26,996,695	21,855,626
Provision for expected credit loss allowance	163,429	9,631,907
Net realisable value adjustment	569,037	(510,040)
Finance cost	9,437,111	26,349,436
Share based payment expense	6,842,795	507,056
Employees' benefits obligations	11,193,241	9,170,693
Loss on disposal of property, plant and equipment	28,292	705,699
Unrealised foreign exchange gain	(1,643,565)	-
	505,176,240	387,627,447
<i>Changes in:</i>		
Inventories	(136,780,865)	106,356,901
Trade receivables	(101,880,965)	(268,342,085)
Prepayment and other current assets	11,300,698	2,334,829
Trade payables	17,254,057	30,799,321
Advances from customers	91,458,868	(20,195,248)
Accrued expenses and other current liabilities	151,669,990	149,252,171
Cash generated from operations	538,198,023	387,833,336
Finance cost paid	(10,433,029)	(28,788,026)
Employees' benefits paid	(2,221,930)	(2,980,260)
Zakat and income tax paid	(24,005,799)	(22,877,897)
Net cash generated from operating activities	501,537,265	333,187,153
Cash flows from investing activities		
Additions to property, plant and equipment	(81,436,323)	(29,315,095)
Additions to intangible assets	(1,405,862)	(667,670)
Proceeds from disposal of property, plant and equipment	3,065,290	1,318,643
Net cash used in investing activities	(79,776,895)	(28,664,122)
Cash flows from financing activities		
Changes in short-term murabaha borrowings	(27,435,551)	(26,516,856)
Payment of lease liabilities	(3,084,276)	(2,547,725)
Payment against share based payment reserve	(5,611,450)	(1,839,480)
Dividends paid	(281,250,000)	(196,875,000)
Cash used in financing activities	(317,381,277)	(227,779,061)
Net change in cash and cash equivalents	104,379,093	76,743,970
Cash and cash equivalents at beginning of the period	188,914,979	68,308,676
Effect of exchange rate fluctuations on cash and cash equivalents	7,265,717	642,715
Cash and cash equivalents at end of the period	300,559,789	145,695,361
Significant non-cash transactions		
Additions to right of use assets and lease liabilities	8,484,544	1,179,950
Exchange differences on lease liabilities	1,875,047	173,587
Exchange differences on right of use assets	(1,520,625)	(135,976)
Exchange differences on property, plant and equipment	(424,433)	(32,932)


Yousef Al Qurashi
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Medhat A. Ghaleb
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Electrical Industries Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements
For the three and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

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	
	30 September 2025	31 December 2024
<u>Kingdom of Saudi Arabia:</u>		
Wahah Electric Supply Company of Saudi Arabia Limited (“WESCOA”)	100%	100%
Saudi Transformers Company Limited (“STC”)	100%	100%
Saudi Power Transformers Company Limited (“SPTC”)	100%	100%
<u>United Arab Emirates:</u>		
Gulf Electrical Equipment Company L.L.C. (“GEEC”)	100%	100%
<u>Belgium:</u>		
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 and unified number 7001824759 issued in Dammam on 22 Shaban 1428H (4 September 2007). These condensed consolidated interim financial statements include 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 22 October 2025G (corresponding to 30 Rabi Al-Akhar 1447H).

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 2024 (“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 and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

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 ("ﷲ") 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 2024.

A number of amendments to existing standards, as detailed in note 2.6 below, became effective from 1 January 2025 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:

- Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, effective for annual periods beginning on or after 1 January 2025.

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:

- Amendments to the 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;

Electrical Industries Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements
For the three and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

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 (continued)

- 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;
- 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 statement of the Group.

3. PROPERTY, PLANT AND EQUIPMENT

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

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	273,156,644	252,989,939
Additions	81,436,323	29,315,095
Disposals	(3,093,582)	(2,024,342)
Exchange differences	424,433	32,932
Depreciation for the period	(21,359,113)	(16,013,644)
Carrying value at the end of the period	330,564,705	264,299,980

Property, plant and equipment includes the capital work in progress amounting to ﷲ 69.5 million (31 December 2024: ﷲ 16.97 million).

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Notes to the condensed consolidated interim financial statements
For the three and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

4. RIGHT-OF-USE ASSETS

The movement of right-of-use assets is as follows:

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	22,407,591	21,914,657
Additions	8,484,544	1,179,950
Exchange differences	1,520,625	135,976
Depreciation for the period	(3,761,037)	(3,459,147)
Carrying value at the end of the period	28,651,723	19,771,436

5. INVENTORIES

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Raw materials	437,298,119	341,468,350
Work-in-progress	224,763,874	251,226,097
Finished goods	123,207,779	127,374,979
Goods-in-transit	126,672,461	50,617,018
Spare parts and supplies, not held for sale	11,345,345	9,813,665
	923,287,578	780,500,109
Less: net realisable value adjustment	(24,798,954)	(23,865,985)
	898,488,624	756,634,124

6. TRADE RECEIVABLES

	Note	30 September 2025	31 December 2024
		(Unaudited)	(Audited)
Trade receivables		753,987,679	646,943,541
Less: Impairment loss on trade receivables		(29,915,491)	(29,752,062)
		724,072,188	617,191,479
Due from a related party	15b	980,000	1,784,120
		725,052,188	618,975,599

7. PREPAYMENTS AND OTHER CURRENT ASSETS

		30 September 2025	31 December 2024
		(Unaudited)	(Audited)
Advances to suppliers		19,497,645	33,824,973
Value added tax refundable		10,764,179	4,837,449
Advances to employees		12,628,157	14,796,239
Prepaid expenses		6,060,236	6,679,860
Advance income tax	12	-	334,033
Others		549,220	661,614
		49,499,437	61,134,168

Electrical Industries Company
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Notes to the condensed consolidated interim financial statements
For the three and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Goods received, not invoiced		181,960,015	58,768,465
Accrued expenses	8.1	106,927,203	84,609,749
Warranty provision		11,283,851	8,887,877
Others		10,437,571	6,507,485
		310,608,640	158,773,576

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:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited) a	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to the shareholders of Electrical Industries Company	161,067,151	121,353,103	421,215,163	297,196,818
Weighted average number of ordinary shares for basic earnings per share	1,112,500,000	1,112,500,000	1,112,500,000	1,112,500,000
Weighted average number of ordinary shares deemed to be issued under employee share incentive program	7,153,750	10,651,456	7,153,750	10,651,456
Weighted average number of ordinary shares for diluted earnings per share	1,119,653,750	1,123,151,456	1,119,653,750	1,123,151,456
Basic earnings per share	0.14	0.11	0.38	0.27
Diluted earnings per share	0.14	0.11	0.38	0.27

Weighted average number of ordinary shares outstanding as at 30 September 2025 and 2024 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.

Electrical Industries Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements
For the three and nine - month periods ended 30 September 2025
(All amounts stated in ﷲ unless otherwise stated)

11. CONTINGENCIES AND COMMITMENTS

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
<i>Contingencies</i>		
Bank guarantees	778,221,961	630,783,957
Letters of credit	463,418,431	178,070,603
<i>Commitments</i>		
Capital expenditure	106,364,767	103,297,248

- 11.1.** During 2024, the Group recognised an expense of ﷲ 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 a further appeal with the Supreme Administrative Court. Accordingly, as the final outcome of the matter remains pending as at 30 September 2025, 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:

	30 September 2025	31 December 2024	30 September 2024
	(Unaudited)	(Audited)	(Unaudited)
Balance at the beginning of the period / year	23,632,747	26,666,950	26,699,223
Charge for the period / year	32,362,074	25,036,491	22,720,252
Charge related to prior year	(1,988,032)	(4,556,796)	-
	30,374,042	20,479,695	22,720,252
Effect of movements in exchange rates	(82,536)	14,223	4,087
Payments / adjustments during the period /year	(24,339,832)	(23,862,154)	(22,877,897)
Advance income tax re-classified to prepayments and other current assets	-	334,033	-
Balance at the end of the period / year	29,584,421	23,632,747	26,545,665

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 2023.

13. FAIR VALUE MEASUREMENT

The Group’s principal financial assets include cash and cash equivalents, investments classified at 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 30 September 2025 and 30 September 2024 respectively.

The table below presents the financial assets at their fair values as at 30 September 2025 and 31 December 2024 based on the fair value hierarchy:

Financial Assets at FVOCI	Level 1	Level 2	Level 3	Total
30 September 2025 (Unaudited)				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	281,756	-	-	281,756
Total as at 30 September 2025 (Unaudited)	281,756	-	21,550,000	21,831,756
31 December 2024 (Audited)				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	528,242	-	-	528,242
Total as at 31 December 2024 (Audited)	528,242	-	21,550,000	22,078,242

As at 30 September 2025, the Group has investment of ﷲ 21.55 million (31 December 2024: ﷲ 21.55 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 at 30 September 2025 and 31 December 2024.

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 30 September 2025 and 31 December 2024. The Group has recorded fair value loss of ﷲ 246,487 in other comprehensive income during the nine-month period ended 30 September 2025 (nine-month period ended 30 September 2024: fair value gain of ﷲ 312,682).

As at 30 September 2025 and 31 December 2024, 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 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 the above 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 30 September 2025 and 31 December 2024 and for the three and nine-month periods ended 30 September 2025 and 2024, summarized by the above operating segments, is as follows:

For the three-month period ended 30 September 2025 (Unaudited)	Manufacturing, assembly & supply	Services	Total
Revenue from external customers	533,224,060	26,799,409	560,023,469
Cost of revenue	(314,845,422)	(15,377,443)	(330,222,865)
Selling and distribution expenses	(18,867,506)	(2,113,104)	(20,980,610)
General and administrative expenses	(28,579,436)	(1,789,986)	(30,369,422)
Depreciation of property, plant and equipment	(8,152,703)	(679,135)	(8,831,838)
Other operating income	932,930	21,472	954,402
Segment results	163,711,923	6,861,213	170,573,136
For the nine-month period ended 30 September 2025 (Unaudited)	Manufacturing, assembly & supply	Services	Total
Revenue from external customers	1,523,508,949	74,557,953	1,598,066,902
Cost of revenue	(948,894,786)	(33,880,836)	(982,775,622)
Selling and distribution expenses	(49,423,238)	(4,423,736)	(53,846,974)
General and administrative expenses	(77,644,884)	(4,269,709)	(81,914,593)
Depreciation of property, plant and equipment	(19,314,185)	(2,044,928)	(21,359,113)
Other operating income	2,980,025	39,120	3,019,145
Segment results	431,211,881	29,977,864	461,189,745
As at 30 September 2025 (Unaudited)			
Segment assets	1,841,146,632	112,958,885	1,954,105,517
Segment liabilities	165,087,535	3,954,731	169,042,266
For the three-month period ended 30 September 2024 (Unaudited)	Manufacturing, assembly & supply	Services	Total
Revenue from external customers	490,316,233	15,529,875	505,846,108
Cost of revenue	(308,906,783)	(6,315,855)	(315,222,638)
Selling and distribution expenses	(17,563,786)	(299,141)	(17,862,927)
General and administrative expenses	(27,631,744)	(777,555)	(28,409,299)
Depreciation of property, plant and equipment	(4,778,344)	(502,881)	(5,281,225)
Other operating income	433,649	-	433,649
Segment results	131,869,225	7,634,443	139,503,668

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14. SEGMENT INFORMATION (Continued)

(a) Information about reportable segments (Continued)

For the nine-month period ended 30 September 2024 (Unaudited)	Manufacturing, assembly & supply	Services	Total
Revenue from external customers	1,501,806,584	41,016,619	1,542,823,203
Cost of revenue	(1,006,875,963)	(17,640,595)	(1,024,516,558)
Selling and distribution expenses	(50,583,645)	(3,575,996)	(54,159,641)
General and administrative expenses	(89,452,331)	(2,331,754)	(91,784,085)
Depreciation of property, plant and equipment	(14,654,866)	(1,358,778)	(16,013,644)
Other operating expenses	(450,862)	-	(450,862)
Segment results	339,788,917	16,109,496	355,898,413
As at 31 December 2024 (Audited)			
Segment assets	1,530,237,777	118,528,590	1,648,766,367
Segment liabilities	139,429,577	2,794,368	142,223,945

Finance cost, 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, intangibles assets, prepayment 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 lease liabilities, employee benefit obligations, loans and borrowings, zakat and income tax liabilities, dividends payable, advances from customers and accrued expenses and other current liabilities are not allocated to individual segments as they are also managed on a group basis.

(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

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Segments results	461,189,745	355,898,413
Finance cost	(9,437,111)	(26,349,436)
Provision of expected credit loss allowance	(163,429)	(9,631,907)
Profit before zakat and income tax	451,589,205	319,917,070

As at 30 September 2025, segment assets did not include unallocated assets amounting to ﷲ 408 million (31 December 2024: ﷲ 302 million).

As at 30 September 2025, segment liabilities did not include unallocated liabilities amounting to ﷲ 1,099 million (31 December 2024: ﷲ 863 million).

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14. SEGMENT INFORMATION (Continued)

(c) Geographic information

The revenue for the nine-month periods ended 30 September 2025 and 2024, categorized by the geographical segments is as follows:

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Kingdom of Saudi Arabia	1,436,149,815	1,275,275,166
Other countries	161,917,087	267,548,037
	1,598,066,902	1,542,823,203

The non-current operating assets of the Group as at 30 September 2025 and 31 December 2024 are categorized by the geographical segments as follows:

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Kingdom of Saudi Arabia	351,412,506	287,225,556
Belgium	15,025,810	16,025,466
	366,438,316	303,251,022

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. During the period, the Group transacted with the following related parties.

<u>Name of related party</u>	<u>Nature of relationship</u>
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

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Evolving Constellation Company for Energy ("EVOSTEL")				
Sales	-	-	35,000	35,000
Purchases from a related party	1,169,793	-	1,447,698	-
Costs and expenses charged by a related party	-	311,241	44,088	355,329
Al Toukhi Company for Industrial Trading and Contracting				
Sales	-	9,000	-	9,000

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15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

b) Balances with related parties:

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Due from a related party		
Al Toukhi Company for Industrial Trading and Contracting	980,000	1,784,120
	980,000	1,784,120

c) Key management personnel compensation:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	5,588,698	4,153,524	16,543,549	11,825,852
Employees' end of service benefits	488,124	172,609	884,028	523,540
Share based payment expense	10,726	10,725	32,178	53,934
Board of directors' fees	1,310,875	600,000	3,109,892	1,800,000
	7,398,423	4,936,858	20,569,647	14,203,326

Advances to employees includes advances to a key management personnel amounting to ﷲ 0.8 million as of 30 September 2025 (31 December 2024: ﷲ 2 million).

16. 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 ﷲ 140.625 million (at ﷲ 0.125 per share).

The Company's Board of Directors, authorized by the shareholders, has resolved in their meetings held on 28 July 2025 to distribute cash dividends for the first half of the year 2025 amounting to ﷲ 140.625 million (at ﷲ 0.125 per share).

The Company's Board of Directors, authorized by the shareholders, has resolved in their meetings held on 11 March 2024 to distribute cash dividends for the second half of the year 2023 amounting to ﷲ 84.375 million (at ﷲ 0.075 per share).

The Company's Board of Directors, authorized by the shareholders, has resolved in its meeting held on 30 July 2024 to distribute cash dividends for the first half of the year 2024 amounting to ﷲ 112.5 million (at ﷲ 0.01 per share).

17. COMPARATIVES FIGURES

During the period, balance of ﷲ 474,053,825 was reclassified from accrued expenses and other current liabilities to advances from customers to conform with the current period presentation of the condensed consolidated interim financial statements.

18. SUBSEQUENT EVENTS

Subsequent to the period ended 30 September 2025, Pauwels Transformers NV ("PTNV"), a wholly owned subsidiary of the Group, has purchased a plot of land and the existing buildings in a public auction held in Mechelen City, Belgium for an amount of ﷲ 79.7 million.

Except for above, there are no significant subsequent events occurred between 30 September 2025 and the date of approval of these condensed consolidated interim financial statements which may have material impact on these condensed consolidated interim financial statements.