

**SAUDI ELECTRICITY 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, 2025**



**الشركة السعودية للكهرباء**  
**Saudi Electricity Company**  
Diligently Serving You

**SAUDI ELECTRICITY 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, 2025**

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<b>INDEX</b>	<b>PAGE</b>
Independent auditor's review report	1
Interim condensed consolidated statement of financial position	2 - 3
Interim condensed consolidated statement of profit or loss	4
Interim condensed consolidated statement of comprehensive income	5
Interim condensed consolidated statement of changes in equity	6
Interim condensed consolidated statement of cash flows	7 - 8
Notes to the interim condensed consolidated financial statements	9 - 35

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

To the Shareholders of  
Saudi Electricity 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 Electricity Company ("the Company") and its subsidiaries (collectively "the Group") as at June 30, 2025, 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**



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

Safar 23, 1447 H  
August 17, 2025

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	9	537,045,356	500,297,029
Intangible assets, net		174,459	209,414
Right-of-use assets, net		519,657	577,429
Investment properties		460,374	461,960
Equity accounted investees		4,685,595	4,786,884
Financial assets at amortized cost		18,133	18,133
Financial assets through other comprehensive income	6.1	230,119	230,119
Derivative financial instruments	13.3	77,363	202,377
Loans and advances – Non-current		954,663	954,663
<b>Total non-current assets</b>		<b>544,165,719</b>	<b>507,738,008</b>
<b>Current assets</b>			
Inventories, net	10	5,199,887	3,865,380
Accounts receivable, net	11	35,094,500	22,597,679
Loans and advances – Current		8,830,998	7,906,473
Contract assets		663,861	347,934
Prepayments and other receivables, net		5,812,318	2,927,282
Cash and cash equivalents		1,875,875	1,631,656
<b>Total current assets</b>		<b>57,477,439</b>	<b>39,276,404</b>
<b>TOTAL ASSETS</b>		<b>601,643,158</b>	<b>547,014,412</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	41,665,938	41,665,938
Other reserves		(528,408)	(118,964)
Contractual reserve - Mudaraba instrument	12	5,372,744	984,901
Retained earnings		39,866,897	40,919,268
<b>Total equity before Mudaraba instrument (1)</b>		<b>86,377,171</b>	<b>83,451,143</b>
Mudaraba instrument		163,636,000	159,169,000
Fair value adjustment of Mudaraba instrument		9,971,896	8,751,563
<b>Mudaraba instrument (2)</b>	12	<b>173,607,896</b>	<b>167,920,563</b>
<b>Total equity (1+2)</b>		<b>259,985,067</b>	<b>251,371,706</b>

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The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

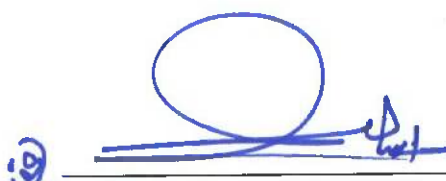
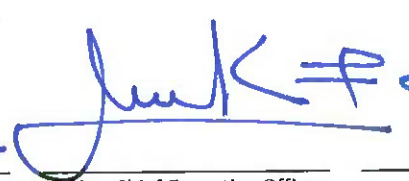
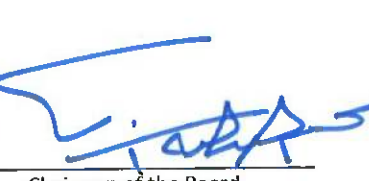
**SAUDI ELECTRICITY COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT JUNE 30, 2025**

(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans	13.2	94,580,354	89,468,867
Long term sukuk	13.2	44,900,187	32,713,096
Employees' benefits obligation		10,225,492	9,637,319
Non-current portion of deferred revenue		75,771,347	74,999,729
Advances from subscribers		21,441,881	20,237,065
Deferred government grants	23	1,042,160	1,111,954
Derivative financial instruments	13.3	185,718	-
Non-current portion of lease liabilities		313,966	394,441
<b>Total non-current liabilities</b>		<b>248,461,105</b>	<b>228,562,471</b>
<b>Current liabilities</b>			
Short term loans and facilities	13.2	20,761,921	16,631,416
Current portion of long term loans	13.2	16,335,035	2,994,586
Current portion of sukuk	13.2	2,437,500	2,437,500
Trade payables	13.1	10,273,914	11,291,979
Accruals and other payables	14	34,444,161	24,533,266
Provision for other liabilities and charges		377,580	406,771
Refundable deposits from customers	13.1	1,908,677	1,911,702
Current portion of deferred revenue		2,984,722	2,917,674
Contract liabilities		3,489,899	3,785,231
Current portion of lease liabilities		183,577	170,110
<b>Total current liabilities</b>		<b>93,196,986</b>	<b>67,080,235</b>
<b>Total liabilities</b>		<b>341,658,091</b>	<b>295,642,706</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>601,643,158</b>	<b>547,014,412</b>

Executive Vice President and Chief Financial Officer      Acting Chief Executive Officer      Chairman of the Board

Abdulaziz bin Abdulrahman AlMuhaiza

Khalid Salem AlGhamdi

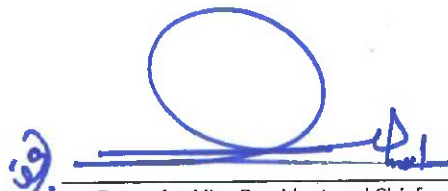

Najem Abdullah Alzaid

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

**SAUDI ELECTRICITY 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, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	For the three months period ended June 30		For the six months period ended June 30	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating revenue	18	27,721,987	22,379,335	47,222,371	38,237,825
Cost of revenue	19	(20,371,302)	(17,211,901)	(36,997,680)	(30,929,943)
<b>Gross profit</b>		<b>7,350,685</b>	<b>5,167,434</b>	<b>10,224,691</b>	<b>7,307,882</b>
Other income, net	20	168,692	566,285	268,360	836,395
Impairment (losses) / reversal on financial assets		(329,909)	106,428	(619,969)	50,271
General and administrative expenses		(415,192)	(248,950)	(732,992)	(578,583)
Research and development expenses		(16,454)	(2,211)	(34,425)	(8,152)
<b>Operating profit for the period</b>		<b>6,757,822</b>	<b>5,588,986</b>	<b>9,105,665</b>	<b>7,607,813</b>
Finance income		9,829	79,436	58,997	236,065
Finance expense		(1,327,139)	(1,191,784)	(2,781,111)	(2,483,759)
<b>Finance costs, net</b>	21	<b>(1,317,310)</b>	<b>(1,112,348)</b>	<b>(2,722,114)</b>	<b>(2,247,694)</b>
Share of (loss) / profit on equity accounted investees		(21,374)	12,827	29,862	50,571
<b>Profit for the period before zakat</b>		<b>5,419,138</b>	<b>4,489,465</b>	<b>6,413,413</b>	<b>5,410,690</b>
Zakat expenses	17	(135,028)	(144,855)	(161,325)	(168,900)
<b>Profit for the period</b>		<b>5,284,110</b>	<b>4,344,610</b>	<b>6,252,088</b>	<b>5,241,790</b>
<b>Earnings per share (express in SR per share)</b>					
Basic and diluted earnings per share after deducting dividends for Mudaraba instrument	22	0.73	0.52	0.45	0.21
Basic and diluted earnings per share Without deducting dividends for Mudaraba instrument	22	1.27	1.04	1.50	1.26

 Executive Vice President and Chief Financial Officer  Abdulaziz bin Abdulrahman AlMuhaiza	 Acting Chief Executive Officer  Khalid Salem AlGhamdi	 Chairman of the Board  Najem Abdullah Alzaid
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The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**

(All amounts in thousands Saudi Riyals unless otherwise stated)

Note	For the three months period		For the six months period	
	ended June 30		ended June 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	5,284,110	4,344,610	6,252,088	5,241,790
Other comprehensive (loss) / income:				
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Derivative financial instruments at fair value - effective portion	(193,529)	53,705	(409,444)	356,804
Total items that may be reclassified to interim condensed consolidated statement of profit or loss	(193,529)	53,705	(409,444)	356,804
Items that may not be reclassified subsequently to interim condensed consolidated statement of profit or loss				
Fair value reserve of financial asset through other comprehensive income	-	(12,023)	-	(12,023)
Total items that may not be reclassified to interim condensed consolidated statement of profit or loss	-	(12,023)	-	(12,023)
Other comprehensive (loss) / income	(193,529)	41,682	(409,444)	344,781
Total comprehensive income	5,090,581	4,386,292	5,842,644	5,586,571

 Executive Vice President and Chief Financial Officer  Abdulaziz bin Abdulrahman AlMuhaiza	 Acting Chief Executive Officer  Khalid Salem AlGhamdi	 Chairman of the Board  Najem Abdullah Alzaid
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SAUDI ELECTRICITY COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025  
(All amounts in thousands Saudi Riyals unless otherwise stated)

	Other reserves					Contractual reserve for Mudaraba instrument	Retained earnings	Total equity before Mudaraba instrument		Mudaraba instrument		Total equity (1+2)
	Share capital	Statutory reserve	General reserve	Fair value of derivatives	Employees' benefits obligation	Financial assets at FVOCI	Total other reserves	(1)	(2)	(1)	(2)	
Balance as at January 1, 2024 (audited)	41,665,938	7,105,975	702,343	156,012	(24,391)	(21,985)	109,636	860,593	37,952,664	88,397,149	167,920,563	256,317,712
Profit for the period	-	-	-	-	-	(12,023)	344,781	-	5,241,790	5,241,790	-	5,241,790
Other comprehensive income	-	-	-	356,804	-	(12,023)	344,781	-	-	344,781	-	344,781
Total comprehensive income	-	-	-	356,804	-	(12,023)	344,781	-	5,241,790	5,586,571	-	5,586,571
Transfer from statutory reserve to retained earnings	-	(7,105,975)	-	-	-	-	-	-	5,241,790	-	-	-
Transfer from general reserve to retained earnings	-	-	(702,343)	-	-	-	-	-	-	-	-	-
Transfer from contractual reserve for Mudaraba instrument	-	-	-	-	-	-	-	-	702,343	-	-	-
Paid from the contractual reserve Dividend to shareholders (note 24)	-	-	-	-	-	-	-	4,371,998	(4,371,998)	-	-	-
Balance as at June 30, 2024 (Unaudited)	41,665,938	-	-	512,816	(24,391)	(34,008)	454,417	984,901	43,714,158	86,819,414	167,920,563	254,739,977
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	-	-	-	(409,444)	-	-	-	-	6,252,088	6,252,088	-	6,252,088
Other comprehensive loss	-	-	-	(409,444)	-	-	(409,444)	-	-	(409,444)	-	(409,444)
Total comprehensive income	-	-	-	(409,444)	-	-	(409,444)	-	6,252,088	5,842,644	-	5,842,644
Transfer to contractual reserve for Mudaraba instrument (note 12)	-	-	-	-	-	-	-	4,387,843	(4,387,843)	-	-	-
Additions (note 12)	-	-	-	-	-	-	-	-	-	-	5,687,333	5,687,333
Dividend to shareholders (note 24)	-	-	-	-	-	-	-	-	(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

Executive Vice President and Chief Financial Officer

Acting Chief Executive Officer

Chairman of the Board

Abdulaziz bin Abdulrahman AlMuhaiiza

Khalid Salem AlGhamdi

Najem Abdullah Alzaid

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.



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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period before zakat		6,413,413	5,410,690
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	9	10,659,202	9,814,738
Depreciation of right-of-use assets	19	92,363	52,176
Depreciation of investment properties		1,586	1,591
Amortisation of intangible assets		34,955	44,030
Finance expense	21	2,781,111	2,483,759
Finance income	21	(58,997)	(236,065)
Employees' benefits obligation		709,179	323,588
Provision / (reversal) for slow-moving and obsolete inventories	10	80,415	(31,647)
Impairment losses/(reversal) on financial assets		619,969	(50,271)
Share of profit on equity accounted investees		(29,862)	(50,571)
Amortisation of deferred government grant	20	(69,794)	(76,421)
Loss / (gain) on disposal of property, plant and equipment	20	53,349	(139,552)
Cash flow after adjustment of non-cash items		21,286,889	17,546,045
<u>Changes in operating assets and liabilities:</u>			
Inventories, net		(1,414,922)	(958,118)
Accounts receivable, net		(13,040,038)	(6,034,721)
Prepayments and other receivables, net		(2,960,788)	(1,441,749)
Loans and advances		(913,535)	(6,550,466)
Contract assets		(315,927)	215,812
Trade payables		4,669,268	1,194,563
Accruals and other payables		2,348,124	3,759,818
Contract liabilities		(295,332)	(1,126,572)
Refundable deposits from customers		(3,025)	1,886
Provision for other liabilities and charges		(7,952)	(2,347)
Advances from subscribers		1,204,816	164,605
Deferred revenue		838,666	1,018,124
Cash generated from operations		11,396,244	7,786,880
Employees' benefits obligation paid		(329,798)	(568,574)
Zakat paid		(182,564)	(544,615)
Net cash generated from operating activities		10,883,882	6,673,691
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(40,602,337)	(21,551,273)
Proceeds from sale of property, plant and equipment		58,775	145,993
Additional investment in equity account		(8)	(1,011)
Dividend received from investments		46,213	25,801
Loan to associates and joint ventures, net		(10,990)	-
Finance income receipt		58,997	236,065
Net cash used in investing activities		(40,449,350)	(21,144,425)

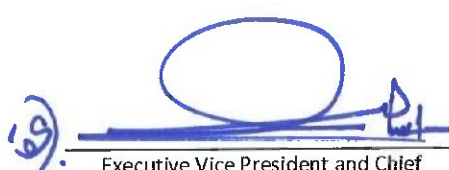

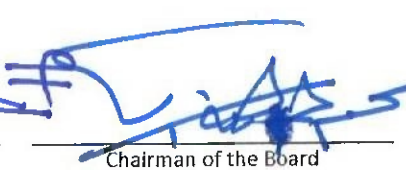
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans	13.2	35,165,971	33,517,499
Proceeds from issuance of sukuk	13.2	12,187,091	10,804,286
Repayments of loans	13.2	(12,583,530)	(7,835,415)
Repayments of Sukuk	13.2	-	(13,139,293)
Payment from contractual reserve for Mudaraba instrument		-	(4,247,690)
Payment for lease liabilities		(114,165)	(96,174)
Dividends paid		(2,918,535)	(2,912,848)
Finance costs paid		(1,927,145)	(1,698,820)
<b>Net cash generated from financing activities</b>		<b>29,809,687</b>	<b>14,391,545</b>
<b>Net change in cash and cash equivalents</b>		<b>244,219</b>	<b>(79,189)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,631,656</b>	<b>621,552</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>1,875,875</b>	<b>542,363</b>

Non-cash transactions are disclosed in note 25.

 Executive Vice President and Chief Financial Officer  Abdulaziz bin Abdulrahman AlMuhaiza	 Acting Chief Executive Officer  Khalid Salem AlGhamdi	 Chairman of the Board  Najem Abdullah Alzaid
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The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**

(All amounts in thousands Saudi Riyals unless otherwise stated)

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**1. CORPORATE INFORMATION**

The Saudi Electricity Company (the "Company") was formed pursuant to the Council of Ministers' Resolution Number 169 dated 11 Sha'ban 1419H corresponding to November 29, 1998, which reorganized the Electricity Sector in the Kingdom of Saudi Arabia by merging all local companies that provided electricity services (10 joint stock companies that covered most of the geographical areas of the Kingdom), in addition to the projects of the General Electricity Corporation, a governmental corporation belonging to the Ministry of Industry and Electricity (11 operating projects that covered various areas in the north of the Kingdom) into the 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 as a Saudi joint stock company according to the Commercial Registration by Riyadh Number 1010158683, 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, healthcare 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"), which was established on November 13, 2001 according to Council of Ministers' Resolution No. 169 dated 11 Sha'aban 1419H. The change on tariff was made through the Council of Ministers' Resolution Number 170 dated 12 Rajab 1421H and was effective from 1 Sha'aban 1421H corresponding to October 28, 2000 whereby the tariff on the highest bracket was set at a rate of 26 Halala per Kilowatts per hour.

This was further amended by the Council of Ministers in its decision (number 333) dated 16 Shawwal 1430H, corresponding to October 5, 2009, which granted the Board of Directors of the Authority the right to review and adjust the non-residential (commercial, industrial and governmental) electricity tariff and approve them as long as the change does not exceed 26 Halala for each kilowatt per hour, taking into consideration, among other matters, the electricity consumption at peak times. This tariff was implemented starting 19 Rajab 1431H, corresponding to July 1, 2010.

On 17th Rabi Awal 1437H corresponding to December 28, 2015, Council of Ministers issued its resolution (Number 95), to increase price of electricity effective from 18 Rabi Awal 1437H corresponding to December 29, 2015, and to increase electricity consumption tariff for all categories with the highest band being 32 Halala per Kilowatts per hour, which came into effect from 1 Rabi Thani 1437H corresponding to January 11, 2016.

On 24 of Rabi Awal 1439H corresponding to December 12, 2017, the Council of Ministers issued a resolution (Number 166) to increase the prices of electricity and electricity consumption rates for some categories of subscribers with the highest band being 30 Halala per Kilowatts per hour. This change was effective from January 1, 2018 without referring to the previous highest band of 32 Halala. According to Royal Decree No. 14006 dated 23 Rabi'l, 1439H corresponding to December 11, 2017, the Saudi Electricity Company shall pay a government fee equivalent to the difference between the previous and the new tariffs. On 21 of Rabi Awal, 1442 (corresponding to November 7, 2020) Royal Decree No. (16031) was issued to cancel the government fee.

On 29 of Rabi'l, 1442H corresponding to November 15, 2020, the Minister of Energy, Chairman of the Ministerial Committee issued a letter (Number 2057) for restructuring the electricity sector and cancellation of the government fee as of January 1, 2021, with the aim to restructure the electricity sector in Saudi Arabia and approved the mechanism of revenue of Saudi Electricity Company.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

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**1. CORPORATE INFORMATION (CONTINUED)**

Pursuant to Royal Order No. 2719 - dated 14/01/1438 corresponding to October 15, 2016, and Ministry of Finance letter No. 5627 - dated 02/06/1441 corresponding to January 27, 2020, the balancing account has been activated by the Ministry of Finance starting from 2019.

In line with the letter; No. 2057-dated 29 Rabi Awal 1442 corresponding to November 15, 2020, received by the Company from the Minister of Energy, Chairman of the Ministerial Committee for restructuring the electricity sector. The required revenue for the Company is calculated based on an asset base model adjusted for regulatory return on the weighted regulatory return for the cost of capital for the years 2021-2023. This was reset in 2024 with the new regulatory return on the weighted regulatory return for the cost of capital for the years 2024-2026. On 20 Shawwal, 1445H corresponding to April 29, 2024, the Company had received the letter no. 450201/3979 from the Minister of Energy, Chairman of the Ministerial Committee relating to revision of WACC to 6.65% for the years 2024-2026. The required revenue is subject to adjustment as per the revenue and payments correction methodology in line with the actual figures achieved. The Company re-estimates the required revenue and the expected revenue to record the difference required recorded for the period based on the actual achieved results and make the necessary adjustments, if any.

On 14 Safar 1443H, corresponding to September 21, 2021, the Council of Ministers Resolution (No. 111) was issued approving the tariff for heavy consumption of electricity that will be applied to establishments operating in qualified activities or sectors and belonging to the categories of industrial, commercial and agricultural consumption - which are determined by a committee formed under the chairmanship of the Ministry of Energy and the membership of a number of ministries and government agencies to determine the applicable sectors for this tariff. By submitting a request to the consumer to apply the tariff to their facility. The heavy consumption tariff will be in accordance with the regulations announced by the Authority. And on December 20, 2022, the Council of Ministers Decision No. (361) was issued approving the application for this tariff as of January 1, 2023.

Furthermore, complying with the same resolution the regulator SERA instructed the Group the increase in the tariffs for the customers not eligible for high consumption tariff for industrial, agricultural and commercial category of customers.

On 29 Shawwal 1446, corresponding to April 27, 2025, the Company announced that, based on the eligibility results for the Intensive Electricity Consumption Tariff, an additional charge of 2 halalas per kilowatt-hour (kWh) will be added to the electricity tariff for non-eligible establishments in the industrial, commercial, and agricultural sectors. The new tariff will be applied starting from May 28, 2025, noting that the tariff for non-eligible establishments will be updated periodically on the company's official website.

The Company's share capital is divided into 4,166,593,815 shares of SR 41,665,938,150 with a nominal value of SR 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<sup>th</sup> Shawwal 1438H (July 13, 2017).

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

Saudi Electricity Company is referred to as ("Company") or together with its subsidiaries as ("Group") throughout the financials. These interim condensed consolidated financial statements include the assets, liabilities and results of operations of the subsidiaries and their branches 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 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.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**1. CORPORATE INFORMATION (CONTINUED)**

The subsidiaries are listed below:

Subsidiary	Country of incorporation	Ownership in ordinary shares %		
		June 30, December 31,		Principal activities
		2025	2024	
National Grid S.A. Company “Grid Company”	Kingdom of Saudi Arabia	100	100	Transmission
Dawiyat Telecommunication Company	Kingdom of Saudi Arabia	100	100	Telecommunication
Electricity Sukuk Company*	Kingdom of Saudi Arabia	100	100	Financing
Saudi Electricity for Projects Development Co.	Kingdom of Saudi Arabia	100	100	Projects Management
Saudi Electricity Global Sukuk Company - 1	Cayman Islands	100	100	Financing
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
Solution 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 (business not commenced)	Kingdom of Saudi Arabia	100	100	Energy Generation Wireless telecommunication services
Dawiyat Digital for Information Technology	Kingdom of Saudi Arabia	100	100	Building, operating, and leasing data centres
Dawiyat Company for Data Centers	Kingdom of Saudi Arabia	100	100	Developing, managing, leasing, buying and selling lands and real estate
Ettijahat Real Estate Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Developing infrastructure of power project
United Infrastructure Power Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Investing and leasing in real estate and fund
Ettijahat Advanced for Power, Holding Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Investment entity
Sahl First Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Sahl Second Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Sahl Third Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Ghazal First Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Ghazal Second Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**1. CORPORATE INFORMATION (CONTINUED)**

\*On 15 Thul Qadah 1446H, corresponding to May 13, 2025, the Board of Directors of the Saudi Electricity Company approved the liquidation and closing of the Electricity Sukuk Company and authorized the management to take the necessary regulatory procedures for closing the company.

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

Joint Ventures	Country of incorporation	Ownership in ordinary shares %	
		June 30, 2025	December 31, 2024
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
Global Data Hub Company *	Kingdom of Saudi Arabia	50	50
Electric Vehicle Infrastructure Company	Kingdom of Saudi Arabia	25	25
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
Hajr Two Holding Company	Kingdom of Saudi Arabia	40	-
<b>Associates</b>			
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
Green Saudi Company for Carbon Services **	Kingdom of Saudi Arabia	-	51

\* During the period, the Group's board has approved the acquisition of the remaining shares of the Global Data Hub Company. The transfer and formalities are under process.

\*\* During the period, the Group has disposed off its investments in Green Saudi Company for Carbon Services.

**2. SIGNIFICANT EVENT**

**Climate change effect**

The government of the Kingdom of Saudi Arabia has announced a set of initiatives that aim, among other things, to reduce carbon emissions by using renewable energy projects, which are expected to provide 50% of electricity production in the Kingdom of Saudi Arabia by 2030.

The Group is exposed to both short and long-term climate change risks due to increased expectations of customers, investors, financiers and government. These risks are an integral part of the generation, transmission and distribution of electricity. The Group management is constantly working to reduce the environmental impact of the business.

The higher fuel consumption costs and greenhouse gas emissions associated with the consumption of liquid fuels have an impact not only on the environment, but also on the Group's net profit, and the Group considers that there is no material impact resulting from these initiatives on the values of machinery and property and associated impairment losses.

The Group is currently working on developing a strategy to improve its energy performance through efficient energy consumption and energy production from sustainable sources.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

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**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") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Public Accountants (SOCPA) and the requirements of the laws and regulations in 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 annual consolidated financial statements for the year ended December 31, 2024. IAS 34 states that the interim condensed consolidated financial statements are intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial statements than IFRS requires in annual financial statements.

The Group has elected to present two sets of interim condensed consolidated statement of comprehensive income and presents its expenses by function.

***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.
- Derivative financial instruments and investments that are measured at fair value.

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

**4. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies adopted in preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2024. These interim condensed consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024.

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, 2024.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals 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 an impact on the interim condensed consolidated financial statements of the Group.

<b>New and revised IFRS</b>	<b>Summary</b>	<b>Effective date</b>
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

**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, 2025 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<b>New and revised IFRS</b>	<b>Summary</b>	<b>Effective date</b>
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.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	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. 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.	1 January 2026
IFRS 18 - presentation and disclosure in financial statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income, and expenses.	1 January 2027
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 Accounting Standards	1 January 2027

The Group is in the process of determining the impact of these amendments/Standards on the consolidated financial statements in the period of initial application.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

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**5. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the Group's interim condensed consolidated financial statements in accordance with IFRSs that are 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, 2024.

**6. FINANCIAL RISK MANAGEMENT**

**6.1 Fair-value measurement**

The Group measures certain of 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 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:

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.1 Fair-value measurement (continued)**

<b>As of June 30, 2025 - Unaudited</b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
<b>Financial assets</b>				
Financial assets through other comprehensive income	-	-	230,119	230,119
Derivative financial assets	-	77,363	-	77,363
<b>Total financial assets</b>	<b>-</b>	<b>77,363</b>	<b>230,119</b>	<b>307,482</b>
<b>Financial liabilities</b>				
Derivatives financial liabilities	-	185,718	-	185,718
<b>Total financial liabilities</b>	<b>-</b>	<b>185,718</b>	<b>-</b>	<b>185,718</b>
<b>As of December 31, 2024 - Audited</b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
<b>Financial assets</b>				
Financial assets through other comprehensive income	-	-	230,119	230,119
Derivative financial assets	-	202,377	-	202,377
<b>Total financial assets</b>	<b>-</b>	<b>202,377</b>	<b>230,119</b>	<b>432,496</b>
<b>Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Derivatives financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.

**Fair value measurements using significant unobservable inputs (Level three)**

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.

The Group has four investments accounted as 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; and
- 8% Stake in Shuaiba Expansion Holdings Company.

The fair valuation of these 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.1 Fair-value measurement (continued)**

**Fair value measurements using significant unobservable inputs (Level three) (continued)**

Projected dividends and cost of equity are the main input variables for the utilised model for the fair valuation of financial assets at fair value through other comprehensive income.

There have been no transfers between fair values levels during the six months period ended June 30, 2025.

Movement in level 3 fair value financial instruments represented in financial assets at other comprehensive income during the period/year is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at the beginning of the period / year	<b>230,119</b>	250,645
Change in fair value of the financial assets through other comprehensive income during the period / year	-	(20,526)
Balance at the end of the period / year	<b>230,119</b>	230,119

**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 initial Mudaraba instrument was determined at the transfer date. During the current period, the second additional Mudaraba instrument was also valued at the time of transfer (note 12).

**6.2 Liquidity risk**

Liquidity risk represents that the Group will encounter difficulty in raising monies to meet commitments associated with financial instruments.

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.

**6.3 Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, loans to affiliates, other receivables, as well as credit exposures to sales. The Group assesses the credit quality of the subscribers taking into account its past experience and other factors.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, which are settled in SADAD or using major credit cards and various electronic channels.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**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. Therefore, the results of operations for this interim period may not be an accurate indication of the actual results for the full 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 currently realized from the sale of energy to the final consumer as per the official rate set by the regulator. Almost all operations are carried out within the Kingdom.

Saudi Electricity Company'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 Chief Operating Decision Maker monitors the operating results of Saudi Electricity's operating segments separately 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.

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 as endorsed in the kingdom of Saudi Arabia are therefore as follows:

<b>Operating activities</b>	<b>Description</b>
Generation	Production of electricity.
Transmission	Transmission of power from generation plants using the transmission network to the distribution network and operation of the electricity transmission and maintenance system.
Distribution and Subscriber Services	Receiving and distributing power from transmission networks to subscribers, issuance and distribution of consumption bills and collections.
Others	Other includes telecommunication infrastructure, wireless telecommunication services and temporary power supply.

The financial information presented in the following table is as follows:

- A. The financial information of the Saudi Electricity Company in the following schedule includes the corporate, generation activities and distribution and subscribers' services. Corporate activities include primarily supporting services including Human Resources, Finance, Legal and IT not already allocated to other segments or companies.
- B. For National Grid S.A. Company which includes transmission of electricity and the operation and maintenance of the transmission system; and
- C. Other segments include the telecommunication and other activities.

The accounting policies used by Saudi Electricity Company in reporting segments internally are the same as those described in Note 4 of the consolidated financial statements for the year ended December 31, 2024.



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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**8. OPERATING SEGMENTS (CONTINUED)**

Six months period ended June 30, 2025 (Unaudited) (SR in million)	Saudi Electricity Company			National Grid Company (Transmission)	Other subsidiaries	Adjustments/ eliminations	Total
	Corporate	Generation	Distribution and subscriber' services				
<b>Revenue</b>							
External consumers	-	9,227	43,686	3,183	344	(9,218)	47,222
Between sectors	-	-	-	10,899	1,438	(12,337)	-
<b>Total revenue</b>	-	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)
<b>Gross profit</b>	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 costs, net							(2,723)
Share of profit on equity accounted investees							30
Zakat expenses							(161)
<b>Profit for the period</b>							6,252
<b>As at June 30, 2025</b>							
Property, plant and equipment, net	7,985	113,735	165,518	243,183	6,624	-	537,045
Total assets	395,645	120,970	190,766	249,908	7,288	(362,934)	601,643
Total liabilities	189,774	118,631	187,000	194,010	5,163	(352,920)	341,658

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**8. OPERATING SEGMENTS (CONTINUED)**

Six months period ended June 30, 2024 (Unaudited) (SR in million)	Saudi Electricity Company			National Grid Company (Transmission)	Other subsidiaries	Adjustments/ eliminations	Total
	Corporate	Generation	Distribution and subscriber' services				
Revenue							
External consumers	-	7,986	34,876	2,876	482	(7,982)	38,238
Between sectors	-	-	-	10,417	-	(10,417)	-
Total revenue	-	7,986	34,876	13,293	482	(18,399)	38,238
Fuel	-	(45)	-	-	-	-	(45)
Purchased power	-	-	(29,019)	(1,762)	-	18,399	(12,382)
Operating and maintenance costs	316	(2,955)	(3,141)	(1,431)	(80)	-	(7,291)
Construction cost	-	-	-	(1,510)	-	-	(1,510)
Depreciation of property, plant and equipment	-	(3,101)	(2,573)	(3,825)	(151)	-	(9,650)
Depreciation of right-of-use assets	(52)	-	-	-	-	-	(52)
Gross profit / (loss)	264	1,885	143	4,765	251	-	7,308
Other income, net							836
Research and development expenses							(8)
Impairment reversal on financial assets							50
General and administrative expenses							(579)
Finance costs, net							(2,247)
Share of profit on equity accounted investees							51
Zakat expenses							(169)
Profit for the period							5,242
As at December 31, 2024							
Property, plant and equipment, net	7,011	113,185	157,050	218,935	4,116	-	500,297
Total assets	357,074	117,359	176,456	224,375	5,295	(333,544)	547,015
Total liabilities	159,909	114,187	169,524	171,955	3,598	(323,530)	295,643

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**9. PROPERTY, PLANT AND EQUIPMENT, NET**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Net book value at the beginning of the period/year	<b>500,297,029</b>	460,951,523
Additions	<b>47,519,653</b>	59,885,829
Disposals, net	<b>(112,124)</b>	(207,293)
Transfer to investment properties, net	-	(2,787)
Transfer from inventory	-	206,419
Depreciation for the period/year	<b>(10,659,202)</b>	(20,536,662)
Net book value at the end of the period/year	<b>537,045,356</b>	500,297,029

An amount of SR 23.6 billion (December 31, 2024: SR 53.5 billion) was transferred from projects under construction to property, plant and equipment. Project under construction as of June 30, 2025 is SR 97.8 billion (December 31, 2024: SR 73.9 billion).

Capitalized finance charges during the period on projects under construction amounting to SR 2.2 billion (December 31, 2024: SR 3.5 billion).

**10. INVENTORIES, NET**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Material and supplies:		
Generation plant	<b>2,674,842</b>	2,135,778
Distribution network	<b>2,568,863</b>	1,658,450
Transmission network	<b>196,713</b>	196,199
Others	<b>460,191</b>	495,260
	<b>5,900,609</b>	4,485,687
Less: allowance for slow-moving and obsolete inventories	<b>(700,722)</b>	(620,307)
	<b>5,199,887</b>	3,865,380

The permanent decrease in the value of the inventories amounted to SR 57.5 million as of June 30, 2025 (December 31, 2024: SR 53.8 million).

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

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance as at beginning of the period/year	<b>620,307</b>	788,027
Charged / (reversal) for the period/year	<b>80,415</b>	(167,720)
Balance as at the end of the period/year	<b>700,722</b>	620,307

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**11. ACCOUNTS RECEIVABLE, NET**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Governmental institutions* (note 23)	13,168,503	6,921,316
Receivables other than government	10,950,093	8,835,708
Due from related parties (note 23)	7,519,152	4,573,080
Receivables for electricity service connection projects	1,668,603	1,908,316
	<b>33,306,351</b>	22,238,420
Add: Accrued revenue	5,374,610	3,402,503
	<b>38,680,961</b>	25,640,923
Less: allowance for expected credit losses	<b>(3,586,461)</b>	(3,043,244)
	<b>35,094,500</b>	22,597,679

\*It includes the receivable related to the balancing account of the required revenue according to the Revenue Requirement Determination Methodology (RRDM).

Included in receivables is an amount of SR 366 million that is currently under litigation. Management has not accounted for a specific allowance against this balance, as it believes it is fully recoverable.

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance as at beginning of the period/year	3,043,244	3,478,376
Charge / (reversal) for the period/year	543,217	(433,702)
Written off during the period/year	-	(1,430)
Balance as at the end of the period/year	<b>3,586,461</b>	3,043,244

**12. MUDARABA INSTRUMENT**

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

Pursuant to the letter received from His Royal Highness the Minister of Energy, chairman of the ministerial committee for the restructuring of the electrical sector (No. 01-2057-1442H dated 29/03/1442H corresponding to November 15, 2020), regarding the issuance of a royal order No. 16031 approving the settlement of net government dues from the Company and signing Mudaraba agreement with the government of the Kingdom of Saudi Arabia represented by the Ministry of Finance, to transfer the net financial liabilities accrued to the government by the Company by the end of year 2019, amounting to SR 167.9 billion, into a financial instrument within equity, which is unsecured, with an unspecified, recoverable term, and an annual profit margin of 4.5% for a period of 3 years ending in 2023, provided that the margin is recalculated. On 20 Shawwal, 1445H corresponding to April 29, 2024, the Company has received the letter no. 450201/3979 from the Regulator with the updated WACC, which has resulted in a change of annual profit margin of 5.15% (effective from January 1, 2024) for the period of 3 years ending 2026.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**12. MUDARABA INSTRUMENT (CONTINUED)**

The General Assembly, held on 12/05/1442H corresponding to December 27, 2020, approved to create contractual reserve for the purpose of profit payment on Mudaraba agreement concluded between the Company and the Ministry of Finance which is referred to in the Mudaraba agreement.

Second Additional Mudaraba

On 1 Shaaban 1446 AH corresponding to January 31, 2025, the Company received a letter from the Minister of Energy regarding the approval of a final settlement for disputed amounts related to fuel and electric power costs with Aramco, totaling SR 5.687 billion. This amount is an obligation owed by the Company to the government, represented by the Ministry of Finance. The Company has recorded this settlement as an expense in the income statement and as a liability payable to the government in the consolidated financial statement for the year ended December 31, 2024. The settlement was to be converted into Mudaraba instrument as per the Mudaraba agreement within 30 days of receiving the letter.

On 29 Shaaban 1446 AH corresponding to February 28, 2025, a settlement agreement along with the amendments to the original Mudaraba agreement between Ministry of finance and SEC was signed to convert this liability to second additional Mudaraba instrument.

As a result in the period ended March 31, 2025, reflecting the substance of the transaction, the liability was reclassified as part of equity as Mudaraba instrument subject to the approval of the General Assembly. This was approved by the General Assembly on May 13, 2025.

The amount is subject to fair value measurement in accordance with IFRS 13 (level 3 fair value hierarchy measurement) at the date of initial transfer and valued at SR 4,467 million.

The fair value of the Mudaraba was determined based on the Black-Derman-Toy (BDT) model. The BDT framework utilizes the term structure and interest rate volatility to simulate the evolution of future interest rates across a binomial tree. The discount rate was developed using a build-up approach, starting with a base rate derived from the Saudi Riyal Saudi Sukuk Sovereign Yield Curve, and applying a perpetual premium to reflect the non-amortizing perpetual nature of the instrument.

In addition, the value of the embedded redemption option was derived by calculating the instrument's value with and without the call option under the BDT model. Volatility range was estimated to be from 17% to 22% based on SAIBOR historical volatility and Black SAIBOR vol-surface data.

In accordance with the amendment to the original mudaraba agreement, the profit commencement date of the second additional Mudaraba will be the date of approval by the general assembly.

On 15 Thul Qadah 1446H, corresponding to May 13, 2025, the general assembly approved the increase of contractual reserve to fund the profit payments for the Mudaraba instrument based on the adjusted value effective on the same date.

Movement in the contractual reserve is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance as at the beginning of the period/year	<b>984,901</b>	860,593
Transferred from retained earnings during period/year	<b>4,387,843</b>	8,792,041
Paid during the period/year	-	(8,667,733)
Balance as at the end of the period/year	<b>5,372,744</b>	984,901

No payments were made in the current period due to corresponding delay in receipt of the government receivables.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**13. FINANCIAL INSTRUMENTS**

**13.1 Financial instruments other than interest bearing**

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
<b>Derivative financial liabilities</b>		
Derivative financial instruments at fair value (note 13.3)	<b>185,718</b>	-
<b>Other financial liabilities carried at amortized cost, other than interest bearing</b>		
Trade payables	<b>10,273,914</b>	11,291,979
Accruals and other payables	<b>34,444,161</b>	24,533,266
Refundable deposits from customers	<b>1,908,677</b>	1,911,702
<b>Total other financial liabilities carried at amortized cost, other than interest bearing</b>	<b>46,626,752</b>	37,736,947

**13.2 Interest bearing liabilities**

Classification of borrowings as appearing on the interim condensed consolidated statement of financial position as of June 30, 2025 is as follows:

	<b>Short term loans and facilities (Unaudited)</b>	<b>Long term loans (Unaudited)</b>	<b>Sukuks (Unaudited)</b>	<b>Total (Unaudited)</b>
Non-current	-	94,580,354	44,900,187	139,480,541
Current	20,761,921	16,335,035	2,437,500	39,534,456
	<b>20,761,921</b>	<b>110,915,389</b>	<b>47,337,687</b>	<b>179,014,997</b>

Classification of borrowings as appearing on the consolidated statement of financial position as of December 31, 2024 is as follows:

	<b>Short term loans and facilities (Audited)</b>	<b>Long term loans (Audited)</b>	<b>Sukuks (Audited)</b>	<b>Total (Audited)</b>
Non-current	-	89,468,867	32,713,096	122,181,963
Current	16,631,416	2,994,586	2,437,500	22,063,502
	16,631,416	92,463,453	35,150,596	144,245,465



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

**13.2 Interest bearing liabilities (continued)**

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

	Short term loans and facilities	Long term loans	Sukuks	Total
<b>As at January 1, 2024 – Audited</b>	8,915,653	63,545,742	37,491,949	109,953,344
Proceeds from borrowings	24,143,448	32,064,661	10,801,950	67,010,059
Repayments of borrowings	(16,427,685)	(2,907,789)	(13,125,800)	(32,461,274)
Net charge to deferred costs	-	(239,161)	(17,503)	(256,664)
<b>As at December 31, 2024 – Audited</b>	16,631,416	92,463,453	35,150,596	144,245,465
Proceeds from borrowings	<b>15,006,520</b>	<b>20,159,451</b>	<b>12,187,500</b>	<b>47,353,471</b>
Repayments of borrowings	<b>(10,876,015)</b>	<b>(1,647,544)</b>	-	<b>(12,523,559)</b>
Net charge to deferred costs	-	<b>(59,971)</b>	<b>(409)</b>	<b>(60,380)</b>
<b>As at June 30, 2025 – Unaudited</b>	<b>20,761,921</b>	<b>110,915,389</b>	<b>47,337,687</b>	<b>179,014,997</b>

**13.2.1 Long term loans**

The following are the long term bank loans for the Saudi Electricity Company:

	Loan currency	Maturity date	Principal amount	June 30, 2025 (Unaudited) SR	December 31, 2024 (Audited)
Domestic Bank 2	SR	2025	5,000,000	191,200	382,400
Domestic Bank 6	SR	2026	3,500,000	2,415,000	2,441,250
Domestic Bank 8	SR	2026	15,200,000	13,832,000	13,984,000
Domestic Bank 9	SR	2029	2,850,000	2,265,000	2,542,500
Domestic Bank 10	SR	2027	9,000,000	8,460,000	8,550,000
Domestic Bank 11	SR	2032	1,500,000	1,470,000	1,470,000
Local Syndicated Loan 12	SR	2030	10,000,000	9,900,000	10,000,000
Domestic Bank 13	SR	2036	1,600,000	1,600,000	1,052,820
Domestic Bank 14	SR	2030	3,000,000	3,000,000	3,000,000
Domestic Bank 15	USD	2029	3,750,550	3,750,550	3,750,550
Domestic Bank 16	USD	2031	1,878,375	1,878,375	1,878,375
International Bank 1 (a)	USD	2030	1,125,000	751,547	-
International Bank 2 (b)	USD	2030	2,625,000	1,192,500	-
International syndicated loan 3	USD	2026	5,251,120	655,244	874,026
International syndicated loan 4	USD	2028	7,240,715	1,971,626	2,273,319
International syndicated loan 6	USD	2029	3,375,585	1,264,724	1,405,373
International syndicated loan 7	USD	2029	1,575,336	590,540	656,176
International syndicated loan 9	USD	2033	4,500,000	1,342,969	1,309,201
International syndicated loan 10	USD	2027	11,265,874	11,265,874	11,265,874
International syndicated loan 11	USD	2028	11,251,425	11,251,425	11,251,425
International syndicated loan 12	USD	2033	776,250	776,250	776,250
International syndicated loan 13	USD	2029	3,750,600	3,750,600	3,750,600
International syndicated loan 14	USD	2029	7,503,650	7,503,650	7,503,650
International syndicated loan 15	USD	2036	2,128,155	2,122,222	1,828,145
International syndicated loan 16	USD	2029	983,800	938,800	938,800
International syndicated loan 17 (c)	USD	2030	13,504,795	13,504,795	-
International syndicated loan 18 (d)	USD	2030	3,751,750	3,751,750	-
				<b>111,396,641</b>	<b>92,884,734</b>
Less: unamortized portion of the prepaid fees				<b>(481,252)</b>	<b>(421,281)</b>
				<b>110,915,389</b>	<b>92,463,453</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

**13.2 Interest bearing liabilities (continued)**

**13.2.1 Long term loans (continued)**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
<b>This is classified as following</b>		
Current portion	<b>16,335,035</b>	2,994,586
Non-Current portion	<b>94,580,354</b>	89,468,867
	<b><u>110,915,389</u></b>	<b><u>92,463,453</u></b>

- (a) Dhul Hijjah 6, 1446H, (corresponding to June 2, 2025) the Group signed an agreement with an international bank for an EBL facility agreement amounting to USD 300 Million (SR 1.13 billion) for 5 years. As at June 30, 2025 the Group has utilised USD 200 million (SAR 752 million) from this facility agreement.
- (b) On Dhul Qidah 29, 1446H, (corresponding to May 27, 2025) the Group signed an agreement with an international bank for an EBL facility agreement amounting to USD 700 Million (SR 2.63 billion) for 5 years. As at June 30, 2025 the Group has utilised USD 318 million (SAR 1.19 billion) from this facility agreement.
- (c) On 12 Jamada Al-Akhirah 1446H (Corresponding to December 13, 2024) the Group signed International Syndicated Facility agreement with International banks amounting to USD 3.6 billion (SR 13.5 billion) for 5 years. As at June 30, 2025, the Group has utilised USD 3.6 billion (SR 13.5 billion) from this facility agreement.
- (d) Dhul Qidah 16, 1446H, (corresponding to May 14, 2025) the Group signed an International Syndicated Facility with international banks amounting to USD 1 billion (SR 3.75 billion) for 5 years. As at June 30, 2025 the Group has utilised USD 1 billion (SAR 3.75 billion) from this facility agreement.

**13.2.2 Short term loans and facilities**

The following are short-term loans and facilities of the Saudi Electricity Company:

	<b>Loan currency</b>	<b>Principal amount</b>	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
			<b>SR</b>	
Domestic revolving bank loan 1	SR	3,000,000	<b>3,000,000</b>	3,000,000
Domestic revolving bank loan 2	SR	3,000,000	<b>2,000,000</b>	3,000,000
Domestic revolving bank loan 3	USD	2,000,000	<b>2,000,000</b>	2,000,000
Domestic revolving bank loan 4	SR	4,000,000	<b>4,000,000</b>	-
International Syndicated Revolving Credit Facility 5	USD	15,000,000	<b>9,761,921</b>	8,631,416
<b>Total short-term loans and facilities</b>			<b><u>20,761,921</u></b>	<b><u>16,631,416</u></b>

**13.2.3 Sukuk**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Non-current	<b>44,900,187</b>	32,713,096
Current	<b>2,437,500</b>	2,437,500
	<b><u>47,337,687</u></b>	<b><u>35,150,596</u></b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

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**13 FINANCIAL INSTRUMENTS (CONTINUED)**

**13.2 Interest bearing liabilities (continued)**

**13.2.3 Sukuk (continued)**

**Global Sukuk**

1. During April 2013, the Group issued a global Sukuk amounting SR 7.5 billion equivalent to (US\$ 2 billion at par). The issuance consists of two types of Sukuk certificates. The first type amounting to SR 3.75 billion (US\$ 1 billion) matures after 10 years with a fixed rate of 3.473%. The second type amounting to SR 3.75 billion (US\$ 1 billion) matures after 30 years with a fixed rate of 5.06%.

Further during April 2023, the Group repaid 10 year tranche of international sukuk issued in 2013 amounting SR 3.75 billion (US \$ 1 billion).

2. During April 2014, the Group also issued a global Sukuk amounting to SR 9.4 billion equivalent to (US\$ 2.5 billion at par). The issuance consists of two types of Sukuk certificates. The first with a value of SR 5.6 billion (US \$ 1.5 billion), matures after 10 years with a fixed interest rate of 4% and the second with a value of 3.75 billion Saudi Riyals (US \$ 1 billion) is due after 30 years with a fixed rate of 5.5%. The Group repaid the first issuance amounting SR 5.6 billion of the sukuk in April 2024.
3. During September 2018 the Group also issued a global Sukuk amounting to SR 7.5 billion equivalent to (US\$ 2 billion at par). The issuance consists of two tranches of Sukuk certificates. The first tranche with a value of SR 3 billion (US \$ 800 million), 5.3 years tenure with a fixed interest rate of 4.222% per annum and the second tranches with a value of SR 4.5 billion Saudi Riyals (US \$ 1.2 billion), 10 years tenure with a fixed rate of 4.723% per annum. Further during January 2024, the Group repaid 5.3 year tranche of international sukuk issued in 2018 amounting SR 3 billion (US \$ 0.8 billion).
4. During September 2020, the Group issued an international green Sukuk amounting to SR 4.87 billion (US\$1.3 billion at par). The issuance consists of two tranches of Sukuk certificates. The first one with value of SR 2.43 billion (US\$ 650 million) maturing after 5 years tenure with a fixed rate 1.74% and the second one with a value SR 2.43 billion (US\$ 650 million) maturing after 10 years tenure with fixed rate 2.413%. The Group has classified SR 2.43 billion as current sukuk as at June 30, 2025 and December 31, 2024.
5. During April 2023, the Group issued an international Sukuk amounting to SR 7.5 billion (US\$ 2 billion at par). The issuance consists of two types of Sukuk certificates. The first one, issued in green format, with value of SR 4.5 billion (US\$ 1.2 billion) maturing after 10 years tenure with a fixed rate 4.63% and the second one with a value SR 3 billion (US\$ 800 million) maturing after 30 years tenure with fixed rate 5.68%.  
  
Additionally, during March 2024, the Group performed a subsequent tap issuance under an existing Sukuk issuance amounting to SR 750 million (US\$ 200 million) maturing in 2053. Additionally, during March 2024, the Group issued another Tap Sukuks under an existing Sukuk series amounting to SR 1.875 billion (US\$ 0.5 billion) maturing in 2053. Both taps are fungible with the original Sukuks issued.
6. During February 2024, the Group issued an international Sukuk amounting to SR 8.25 billion (US\$ 2.2 billion at par). The issuance consists of two types of Sukuk certificates. The first one with value of SR 3 billion (US\$ 0.8 billion) maturing after 5 years tenure with a fixed rate 4.942% and the second one with a value SR 5.25 billion (US\$ 1.4 billion) maturing after 10 years tenure with fixed rate 5.194%.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

**13.2 Interest bearing liabilities (continued)**

**13.2.3 Sukuk (continued)**

**Global Sukuk (continued)**

7. During February 2025, the Group issued an international Sukuk amounting to SR 10.29 billion (US\$2.75 billion at par), the issuance consists of two types of Sukuk certificates. The first one with value of SR 5.6 billion (US\$ 1.5 billion at par), maturing after 5 years tenure with a fixed rate 5.225%, and the second one with a value of SR 4.69 billion (US\$ 1.25 billion at par) maturing after 10 years tenure with fixed rate 5.489%.

Additionally, during May 2025, the Group issued a supplementary Sukuk through private placement amounting to SR 1.875 billion (US\$500 million at par), maturing after 6 years tenure with a floating rate plus margin.

**13.3 Derivative financial instruments**

The Group has interest rate hedging contracts with multiple banks with notional amount of SR 13.25 billion as of June 30, 2025 (December 31, 2024: SR 13.25 billion).

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 June 30, 2025 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:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
<b>Derivative financial instruments assets:</b>		
<b>Interest rate swap</b>		
Non-current	<b>77,363</b>	202,377
<b>Derivative financial instruments liabilities:</b>		
<b>Interest rate swap</b>		
Non-current (note 13.1)	<b>185,718</b>	-

Additionally, the group holds several structured foreign exchange forward contracts with a notional amount of 40 million USD (leveraged notional amount USD 80 million) being exchanged on a monthly basis, maturing on various dates between 2025 to 2029. Mark-to-market (MTM) valuations of these contracts were considered insignificant.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**14. ACCRUALS AND OTHER PAYABLES**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Accrued capital projects and other expenses **	<b>30,235,211</b>	20,079,757
Accrued interest expenses	<b>2,690,813</b>	2,079,292
Accrued employees' benefits	<b>1,023,672</b>	1,441,326
Dividends payable	<b>492,375</b>	494,294
Other credit balances under settlement	-	415,291
Accrued government fees*	-	-
Others	<b>2,090</b>	23,306
	<b>34,444,161</b>	24,533,266

\*As at June 30, 2025 an amount of SR 414 million (December 31, 2024: SR 636 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.

\*\* This includes an amount of SR 35.8 million related to liabilities associated with equity accounted investees.

**15. CONTINGENT LIABILITIES**

- a) There are some claims filed by one of the contractors against the Group. These are currently in the arbitral procedures, based on the amendment claims filed, the contractor is claiming an approximate amount SR 1.4 billion. However, the Group has also filed counter claims against the Contractor amount ranging from SR 3.8 to 4.4 billion with the same arbitrator. The management currently believes that there is no basis for recording any obligation and that the Company's position is strong to date according to the supporting documents available to the Company. In addition, there are other capital project claims amounting SR 431 million, where the management currently believes that there is no basis for recording any obligation and that the Company's position is strong to date according to the supporting documents available to the Company.
- b) The Group has provided guarantees to certain commercial banks and other parties with a total amount SR 684 million as at June 30, 2025 (December 31, 2024: SR 543 million).

**16. COMMITMENT**

The capital commitments at the date of the interim condensed consolidated statement of financial position comprises of unexecuted portion of capital contracts conducted by the Group for the development and installation of power plants and other assets amounting to SR 142 billion as of June 30, 2025 (December 31, 2024: SR 121 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**17. ZAKAT**

The Group submitted its zakat returns within the statutory period for the year ended on December 31, 2024.

**18. OPERATING REVENUE**

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Electricity sales	<b>20,564,752</b>	18,579,542	<b>32,955,458</b>	30,018,732
Meter reading, maintenance and bills preparation tariff	<b>389,153</b>	378,100	<b>776,684</b>	755,230
Electricity connection tariff	<b>739,572</b>	697,152	<b>1,467,806</b>	1,386,423
Transmission revenue	<b>402,713</b>	386,928	<b>797,946</b>	771,929
Other operating revenue*	<b>4,957,680</b>	1,253,799	<b>9,462,274</b>	3,684,183
Construction revenue	<b>668,117</b>	1,083,814	<b>1,762,203</b>	1,621,328
	<b>27,721,987</b>	22,379,335	<b>47,222,371</b>	38,237,825

\*Other operating revenue includes an amount of SR 8.7 billion as at June 30, 2025 (June 30, 2024: SR 3.1 billion) which represents the difference between required revenue in accordance with RRDM and actual revenue based on management's best estimate as follows:

	<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Estimated difference of required and actual revenue	<b>8,741,164</b>	4,553,037
Adjustment ex-post computation for the year 2022 as approved by Regulator	-	(1,470,346)
	<b>8,741,164</b>	3,082,691

**19. COST OF REVENUE**

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Fuel	<b>35,551</b>	28,859	<b>54,274</b>	45,323
Purchased power (note 19.1)	<b>9,808,177</b>	7,836,837	<b>16,059,149</b>	12,382,659
Operations and maintenance	<b>4,526,018</b>	3,486,285	<b>8,642,126</b>	7,290,950
Depreciation of property, plant and equipment	<b>5,309,473</b>	4,841,967	<b>10,466,268</b>	9,649,103
Construction cost	<b>648,254</b>	1,007,885	<b>1,683,500</b>	1,509,732
Depreciation of right-of-use assets	<b>43,829</b>	10,068	<b>92,363</b>	52,176
	<b>20,371,302</b>	17,211,901	<b>36,997,680</b>	30,929,943

**19.1 Purchased power**

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Purchased power	<b>15,383,416</b>	12,113,521	<b>25,277,029</b>	20,364,410
Less: Power supplied to SPPC under Energy Conversion Agreement	<b>(5,575,239)</b>	(4,276,684)	<b>(9,217,880)</b>	(7,981,751)
	<b>9,808,177</b>	7,836,837	<b>16,059,149</b>	12,382,659



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**20. OTHER INCOME, NET**

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Amortisation of Government grants	<b>34,942</b>	38,300	<b>69,794</b>	76,421
(Loss) / gain on disposal of property, plant and equipment	<b>(67,915)</b>	17,357	<b>(53,349)</b>	139,552
Dividend received on financial assets through other comprehensive income	<b>16,542</b>	6,105	<b>16,542</b>	19,738
Others, net	<b>185,123</b>	504,523	<b>235,373</b>	600,684
	<b>168,692</b>	566,285	<b>268,360</b>	836,395

**21. FINANCE COSTS, NET**

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Finance expense</b>				
Bank loans and Sukuk	<b>2,319,807</b>	1,918,388	<b>4,730,878</b>	4,105,294
Less: Interest capitalised (note 9)	<b>(1,102,201)</b>	(811,351)	<b>(2,171,127)</b>	(1,790,764)
	<b>1,217,606</b>	1,107,037	<b>2,559,751</b>	2,314,530
Interest cost on employees' benefit obligation	<b>104,397</b>	82,180	<b>208,794</b>	164,360
Lease contract	<b>5,136</b>	2,567	<b>12,566</b>	4,869
<b>Total finance expense</b>	<b>1,327,139</b>	1,191,784	<b>2,781,111</b>	2,483,759
<b>Finance income</b>				
Interest income	<b>(9,829)</b>	(79,436)	<b>(58,997)</b>	(236,065)
<b>Total finance income</b>	<b>(9,829)</b>	(79,436)	<b>(58,997)</b>	(236,065)
<b>Net finance costs</b>	<b>1,317,310</b>	1,112,348	<b>2,722,114</b>	2,247,694

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**22. 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, 2025 and June 30, 2024 as there are no financial instruments with a dilutive effect on basic earnings per share.

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period	<b>5,284,110</b>	4,344,610	<b>6,252,088</b>	5,241,790
Less:				
Profit attributable to Mudaraba Instrument	<b>(2,225,866)</b>	(2,185,999)	<b>(4,387,843)</b>	(4,371,998)
Adjusted profit for the period	<b>3,058,244</b>	2,158,611	<b>1,864,245</b>	869,792
Weighted average number of ordinary shares at the period end <i>(in thousands)</i>	<b>4,166,594</b>			
Basic and diluted earnings per share "Saudi Riyals"	<b>0.73</b>	0.52	<b>0.45</b>	0.21
<u>Earning per share without deducting dividends for the Mudaraba instrument</u>				
Basic and diluted earnings per share "Saudi Riyals"	<b>1.27</b>	1.04	<b>1.50</b>	1.26

**23. 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), Saudi Aramco and Saudi Water Authority and these entities are under common control (all companies ultimately controlled by the Government of the Kingdom of Saudi Arabia). In identifying transaction and balances, the group has applied the exemption of Para 18 of IAS 24. Accordingly, only those with significant transactions have been disclosed. The following significant transactions were carried out with related parties:

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>a) Operating revenue</b>				
<b>Sales of electricity</b>				
- Group's ultimate controlling party	<b>3,362,052</b>	3,153,132	<b>5,434,015</b>	5,391,302
- Entities under control of the Group's ultimate controlling party				
Saudi Power Procurement Company	<b>5,575,240</b>	4,276,684	<b>9,217,881</b>	7,981,751
Saudi Aramco	<b>38,805</b>	58,024	<b>62,964</b>	110,506
Saudi Water Authority	<b>201,063</b>	111,450	<b>353,208</b>	218,800
	<b>9,177,160</b>	7,599,290	<b>15,068,068</b>	13,702,359
<b>Construction revenue</b>				
- Entities under control of the Group's ultimate controlling party				
Saudi Aramco	<b>91,160</b>	59,660	<b>230,130</b>	65,847
	<b>91,160</b>	59,660	<b>230,130</b>	65,847

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>b) Purchases of energy</b>				
- Entities under control of the Group's ultimate controlling party				
Saudi Power Procurement Company	<b>14,781,667</b>	12,016,409	<b>24,557,310</b>	20,213,630
	<b>14,781,667</b>	12,016,409	<b>24,557,310</b>	20,213,630

	<b>Three-months ended June 30</b>		<b>Six-months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>c) Others</b>				
Group's ultimate controlling party				
Payment from contractual reserve for				
Mudaraba instrument	-	4,247,690	-	4,247,690

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

**Accounts receivable, gross**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
- Group's ultimate controlling party		
Governmental institutions (note 11)	<b>13,168,503</b>	6,921,316
- Entities under the control of the Group's ultimate controlling party		
Saudi Power Procurement Company	<b>6,210,075</b>	3,317,326
Saudi Aramco	<b>208,179</b>	201,797
Saudi Water Authority	<b>1,100,898</b>	1,053,957
	<b>20,687,655</b>	11,494,396

**Loans and advances**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
- Joint ventures and associates		
Al-Fadhli Co-production- loans	<b>232,613</b>	232,613
Global Data Center Company - loans	<b>106,240</b>	95,250
Sidra One Holding Company - loans	<b>480,129</b>	480,129
Qudra One Holding Company - loans	<b>474,534</b>	474,534
	<b>1,293,516</b>	1,282,526

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**d) Period/year end balances arising from transactions with related parties: (continued)**

**Contract balances**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
- Entities under the control of the Group's ultimate controlling party		
Saudi Aramco – contract assets	320,236	167,709
Saudi Aramco – contract liabilities	1,253,549	1,243,608

**Trade payables and accruals**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
- Entities under control of the Group's ultimate controlling party		
Saudi Water Authority	118	118
Government payable expenses	1,095	57,351
Saudi Power Procurement Company	3,974,038	-
Ministry of Finance	-	6,102,624
Saudi Aramco	-	127,910
	3,975,251	6,288,003

**Deferred government grant**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Group's ultimate controlling party		
Ministry of Communication and Information Technology (MCIT)	1,042,160	1,111,954

**e) 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:

	<b>Three months ended June 30</b>		<b>Six-months ended June 30</b>	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Salaries, compensation and allowances	4,441	4,846	8,358	9,296
Employees' end of service and other benefits	-	-	14,297	19,411
	4,441	4,846	22,655	28,707

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

**24. DIVIDENDS**

The Board of Directors of the Saudi Electricity Company, in their meeting held on 4 Ramadan 1446 AH corresponding to March 4, 2025, recommended to the General Assembly of the Company's shareholders to distribute cash dividends for the financial year 2024 to the shareholders of the Group and their equivalent with an amount of SR 2.9 billion at SR 0.70 per share, representing 7% of the par value of the share.

On 15 Thul Qadah 1446H, corresponding to May 13, 2025, the general assembly approved the distribution of these cash dividends.

**25. NON-CASH TRANSACTIONS**

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

	<b>June 30, 2025 (Unaudited)</b>	June 30, 2024 (Unaudited)
Addition in right of use assets	<b>34,591</b>	80,434
Lease liabilities recognized	<b>34,591</b>	80,434
Disposal of equity accounted investee	<b>1,000</b>	-
Transfer of Mudaraba instrument from trade payables to equity	<b>5,687,333</b>	-

**26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements for the six-months period ended June 30, 2025, were approved for issuance by the Board of Directors of the Group on Safar 16, 1447H (corresponding to August 10, 2025).