

**UNITED ELECTRONICS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH
PERIODS ENDED 30 JUNE 2025
AND REPORT ON REVIEW OF INTERIM
FINANCIAL INFORMATION**

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial information (Unaudited)
For the three-month and six-month periods ended 30 June 2025

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Report on review of Condensed Consolidated Interim Financial Information

To the shareholders of United Electronics Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of United Electronics Company and its subsidiaries (together the “Group”) as at 30 June 2025 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended 30 June 2025 and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim 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 condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with 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, as 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers



Ali A. Alotaibi
License number 379

30 July 2025



UNITED ELECTRONICS COMPANY

(A Saudi Joint Stock Company)

Condensed consolidated interim statement of profit or loss and other comprehensive income

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Sales and services		1,932,307	1,771,329	3,498,319	3,213,097
Income from Islamic financing contracts		192,401	149,992	367,057	289,644
Total revenue	5	2,124,708	1,921,321	3,865,376	3,502,741
Cost of revenues		(1,669,539)	(1,530,563)	(3,009,086)	(2,766,321)
Gross profit		455,169	390,758	856,290	736,420
Selling and distribution expenses		(197,286)	(179,676)	(377,953)	(334,569)
General and administrative expenses		(73,756)	(52,059)	(140,029)	(106,405)
Net impairment losses on financial assets	6	(34,876)	(31,454)	(65,510)	(49,273)
Other expenses		(2,162)	(193)	(2,288)	(533)
Other income		896	2,010	2,649	2,783
Finance costs		(10,794)	(15,438)	(21,962)	(31,334)
Profit before zakat and income tax		137,191	113,948	251,197	217,089
Zakat expense		(10,514)	(6,874)	(20,324)	(16,045)
Income tax expense		(2,193)	(470)	(2,945)	(577)
Net profit for the period		124,484	106,604	227,928	200,467
Other comprehensive income					
Item that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		22	7	(400)	(205)
Total comprehensive income for the period		124,506	106,611	227,528	200,262

UNITED ELECTRONICS COMPANY

(A Saudi Joint Stock Company)

Condensed consolidated interim statement of profit or loss and other comprehensive income (continued)

(All amounts in Saudi Riyals thousands unless otherwise stated)

Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net profit for the period is attributable to:				
Owners of United Electronics Company	106,543	106,604	192,645	200,467
Non-controlling interests	17,941	-	35,283	-
	<u>124,484</u>	<u>106,604</u>	<u>227,928</u>	<u>200,467</u>
Total comprehensive income is attributable to:				
Owners of United Electronics Company	106,569	106,611	192,270	200,262
Non-controlling interests	17,937	-	35,258	-
	<u>124,506</u>	<u>106,611</u>	<u>227,528</u>	<u>200,262</u>
Earnings per share				
Basic earnings per share	12	1.63	1.39	2.99
Diluted earnings per share	12	1.56	1.33	2.85
				2.62
				2.51

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 30 July 2025 and was signed on its behalf by:

		
Wael Mohammed Mohammed Khalil Chief Financial Officer	Mohammed Galal Ali Fahmy Chief Executive Officer	Yousef Ali Zaid Al Quraishi Chairman of the Board of Directors

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Assets			
Non-current assets			
Property and equipment		498,235	486,483
Right-of-use assets		480,947	462,693
Net investment in finance lease		44,980	43,902
Intangible assets		55,753	57,304
Goodwill		529	529
Trade and other receivables		10,239	9,611
Investment in Islamic financing contracts	6	1,339,403	1,212,167
Total non-current assets		2,430,086	2,272,689
Current assets			
Inventories		1,328,418	1,288,430
Trade and other receivables		213,101	166,843
Net investment in finance lease		2,909	3,115
Investment in Islamic financing contracts	6	1,386,721	1,194,976
Cash and cash equivalents	7	283,754	475,569
Total current assets		3,214,903	3,128,933
Total assets		5,644,989	5,401,622
Equity and liabilities			
Equity			
Share capital		800,000	800,000
Other reserves		54,034	48,159
Retained earnings		866,471	903,263
Treasury shares		(98,513)	(41,766)
Equity attributable to the owners of United Electronics Company		1,621,992	1,709,656
Non-controlling interests		369,052	333,794
Net equity		1,991,044	2,043,450
Liabilities			
Non-current liabilities			
Deferred revenue		179,853	162,121
Lease liabilities		591,782	596,864
Borrowings	8	1,015,022	849,056
Employee benefit obligations		92,339	88,604
Total non-current liabilities		1,878,996	1,696,645

(Continued)

UNITED ELECTRONICS COMPANY**(A Saudi Joint Stock Company)****Condensed consolidated interim statement of financial position (continued)****(All amounts in Saudi Riyals thousands unless otherwise stated)**

	Note	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Current liabilities			
Trade and other payables	9	1,018,447	987,059
Deferred revenue		182,447	165,663
Lease liabilities		54,434	32,378
Borrowings	8	495,327	426,613
Zakat and income tax		24,294	49,814
Total current liabilities		1,774,949	1,661,527
Total liabilities		3,653,945	3,358,172
Total equity and liabilities		5,644,989	5,401,622

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 30 July 2025 and was signed on its behalf by:


		
Wael Mohammed Mohammed Khalil Chief Financial Officer	Mohammed Galal Ali Fahmy Chief Executive Officer	Yousef Ali Zaid Al Quraishi Chairman of the Board of Directors


UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of changes in equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

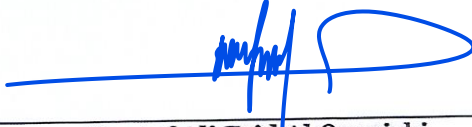
	Note	Other reserves					Treasury shares	Equity attributable to the Owners of United Electronics Company	Non-controlling interests	Total equity
		Share capital	Share based payment reserve	Foreign currency translation reserve	Actuarial reserve	Total other reserves				
At 1 January 2024 (Audited)		800,000	24,278	(3,742)	(5,823)	14,713	515,113	(45,461)	1,284,365	1,284,365
Profit for the period		-	-	-	-	-	200,467	-	200,467	200,467
Other comprehensive loss for the period		-	-	(205)	-	(205)	-	(205)	-	(205)
Total comprehensive income for the period		-	-	(205)	-	(205)	200,467	-	200,262	200,262
Dividends	15	-	-	-	-	-	(152,956)	-	(152,956)	(152,956)
Employee share schemes - value of employee services		-	10,000	-	-	10,000	-	10,000	-	10,000
At 30 June 2024 (Unaudited)		800,000	34,278	(3,947)	(5,823)	24,508	562,624	(45,461)	1,341,671	1,341,671
At 1 January 2025 (Audited)		800,000	51,083	(369)	(2,555)	48,159	903,263	(41,766)	1,709,656	2,043,450
Profit for the period		-	-	-	-	-	192,645	-	192,645	35,283
Other comprehensive loss for the period		-	-	(375)	-	(375)	-	(375)	(25)	(400)
Total comprehensive income for the period		-	-	(375)	-	(375)	192,645	-	192,270	35,258
Dividends	15	-	-	-	-	-	(229,437)	-	(229,437)	(229,437)
Acquisition of treasury shares	1.2	-	-	-	-	-	(56,747)	(56,747)	-	(56,747)
Employee share schemes - value of employee services		-	6,250	-	-	6,250	-	6,250	-	6,250
At 30 June 2025 (Unaudited)		800,000	57,333	(744)	(2,555)	54,034	866,471	(98,513)	1,621,992	1,991,044

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 30 July 2025 and was signed on its behalf by:


Wael Mohammed Mohammed Khalil
Chief Financial Officer


Mohammed Galal Ali Fahmy
Chief Executive Officer


Yousef Ali Zaid Al Quraishi
Chairman of the Board of Directors

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		251,197	217,089
<u>Adjustments for:</u>			
Depreciation of property and equipment		24,538	27,236
Amortisation of intangible assets		8,091	8,985
Depreciation of right-of-use assets		29,833	25,802
Property and equipment written off		1,926	344
Net impairment losses on financial assets	6	65,510	49,273
Amortisation of deferred revenue		(107,025)	(96,233)
Finance income from net investment in finance lease		(1,372)	(1,421)
Employee share schemes - value of employee services		6,250	10,000
(Gain) on disposal of property and equipment		(4)	(66)
Finance costs		67,149	69,013
Provision for employee benefit obligations		7,363	8,404
<u>Changes in operating assets and liabilities:</u>			
Increase in trade and other receivables		(46,886)	(18,785)
Increase in investment in Islamic financing contracts		(384,491)	(277,023)
Increase in inventories		(39,988)	(32,423)
Increase in trade and other payables		30,988	339,026
Increase in deferred revenue		141,541	127,039
Cash generated from operations		54,620	456,260
Employee benefit obligations paid		(3,628)	(2,457)
Principal element of lease payment received		500	1,635
Finance costs paid		(63,165)	(67,301)
Zakat and income tax paid		(48,789)	(30,643)
Net cash (outflow) inflow from operating activities		(60,462)	357,494
Cash flows from investing activities			
Payments for purchases of property and equipment		(38,231)	(33,553)
Payments for purchases of intangible assets		(6,540)	(5,065)
Proceeds from disposal of property and equipment		19	88
Net cash outflow from investing activities		(44,752)	(38,530)
Cash flows from financing activities			
Proceeds from long-term borrowings		683,000	471,101
Repayment of long-term borrowings		(452,304)	(300,612)
Proceeds from short-term borrowings		125,000	1,125,000
Repayment of short-term borrowings		(125,000)	(1,376,878)
Dividends paid to company's shareholders	15	(229,437)	(152,956)
Acquisition of treasury shares		(56,747)	-
Principal elements of lease payments		(31,113)	(34,177)
Net cash outflow from financing activities		(86,601)	(268,522)

(Continued)


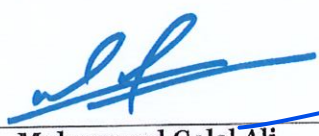
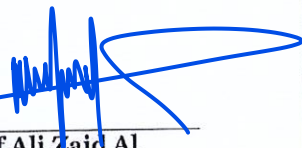
UNITED ELECTRONICS COMPANY**(A Saudi Joint Stock Company)****Condensed consolidated interim statement of cash flows (continued)**

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Net (decrease) increase in cash and cash equivalents		(191,815)	50,442
Cash and cash equivalents at beginning of period		475,569	152,604
Cash and cash equivalents at end of period	7	<u>283,754</u>	<u>203,046</u>
Non-cash financing activities:			
Right-of-use assets recorded against lease liabilities		<u>48,087</u>	<u>46,406</u>

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 30 July 2025 and was signed on its behalf by:

		
Wael Mohammed Mohammed Khalil Chief Financial Officer	Mohammed Galal Ali Fahmy Chief Executive Officer	Yousef Ali Zaid Al Quraishi Chairman of the Board of Directors

UNITED ELECTRONICS COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial information (Unaudited)****For the three-month and six-month periods ended 30 June 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information

United Electronics Company (the “Company”) is a Saudi Joint Stock Company registered in Al Khobar under Commercial Registration (“CR”) number 2051029841 dated 10 Jumada II, 1425H (corresponding to 27 July 2004). The shares of the Company were listed on the Saudi Stock Exchange (“Saudi Exchange”) on 24 December 2011.

The registered address of the Company is P.O. Box 76688 Al Khobar 31952, Kingdom of Saudi Arabia.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) include the wholesale and retail trade in electric appliances, electronic gadgets, computers and their spare parts and accessories, furniture, office equipment and tools, maintenance and repair services, third-party marketing and consumer financing services.

This condensed consolidated interim financial information include the activities of the Company and its following direct and indirect subsidiaries.

Subsidiaries	Country of incorporation	Effective ownership percentage	
		30 June 2025	31 December 2024
United Company for Maintenance Services (“UCMS”)	Kingdom of Saudi Arabia	100%	100%
United Electronics Company Extra W.L.L. (“eXtra Bahrain”)	Kingdom of Bahrain	100%	100%
United Electronics Company Extra L.L.C. (“eXtra Oman”)	Sultanate of Oman	100%	100%
Extra Electronics Company (“eXtra Egypt”)	Arab Republic of Egypt	100%	100%
Extra for Import (“eXtra Import”)	Arab Republic of Egypt	100%	100%
United International Holding Company (“UIHC”)	Kingdom of Saudi Arabia	70%	70%
United Company for Financial Services (“UCFS”)	Kingdom of Saudi Arabia	70%	70%
Procco Financial Services W.L.L. (“Procco”)	Kingdom of Bahrain	70%	70%
NowAccess Company (“NowAccess”) - Note 1.1	Kingdom of Saudi Arabia	52.5%	-

As at 30 June 2025, the Group had a total of 56 branches (31 December 2024: 55 branches) out of which 51 branches are in the Kingdom of Saudi Arabia (31 December 2024: 50 branches in the Kingdom of Saudi Arabia).

1.1 Incorporation of a new subsidiary

During the three-month and six-month periods ended 30 June 2025, UIHC has incorporated a new subsidiary, NowAccess Company (“NowAccess”), with a total paid-up share capital of Saudi Riyals 10.0 million. UIHC holds 75% equity interest in the new entity (the Group effective ownership is 52.5%), whereas the remaining 25% equity interest is held by Nowpay Corp Fintech Company (“NowPay”), a company incorporated in Cayman Islands. NowAccess will be engaged in the providing payroll administration and related processing services in the Kingdom of Saudi Arabia.

Certain stipulations of the shareholders’ agreements are in the process of being executed as of the date of the approval of these this condensed consolidated interim financial information.

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month and six-month periods ended 30 June 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information (continued)

1.2 Acquisition of treasury shares

During the three-month and six-month periods ended 30 June 2025, the Company executed a buy-back of 651,950 of its own shares from the open market. The total consideration paid for the buy-back of shares amounted to Saudi Riyals 56.7 million, representing approximately 2.8% of the Company's net assets as of 30 June 2025. The purchase was executed in accordance with the approval of the shareholders in their Extraordinary General Assembly Meeting held on 26 May 2025, and in compliance with the relevant provisions of the regulations issued by Capital Market Authority ('CMA').

The repurchased shares are held as treasury shares and are presented as a deduction from equity in accordance with the applicable accounting standards.

This condensed consolidated interim financial information was approved by the Company's Board of Directors on 30 July 2025.

2 Material accounting policies

The material accounting policies applied in the preparation of the condensed consolidated interim financial information of the Group are consistent with those of the previous financial year and corresponding interim reporting periods.

2.1 Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial information of the Group as of 30 June 2025 and for the three-month and six-month periods then ended has been prepared in compliance with IAS 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 ("Last Annual Financial Statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's consolidated financial position and performance since the Last Annual Financial Statements.

An interim period is considered as an integral part of the whole fiscal year. However, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month and six-month periods ended 30 June 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New standards, amendments to standards and interpretations

There were no new standards or amendments to standards and interpretations that become applicable for the current reporting period, except for the amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. This amendment is applicable when an entity has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting this amendment.

(c) Standards issued but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 1 January 2025 reporting periods and have not been early adopted by the Group. Management is in the process of assessing the impact of such new standards and interpretations on its consolidated financial statements.

3 Fair value of assets and liabilities

As at 30 June 2025 and 31 December 2024, all financial assets and financial liabilities of the Group are categorised as held at amortised cost. Management believes that the fair values of the Group's financial assets and liabilities as at 30 June 2025 and 31 December 2024 are not materially different from their carrying values since the financial instruments are short term in nature, carry profit rates which are based on prevailing market profit rates and are expected to be realised at their current carrying values within twelve months from the date of the statement of financial position. The fair values of the noncurrent financial instruments are estimated to approximate their carrying values as these carry profit rates which are based on prevailing market profit rates. During the three-month and six-month period ended 30 June 2025, there have been no significant market developments which might indicate towards a potential change in fair value of the Group's financial instruments.

4 Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial information requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no significant changes in critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial information from those that were applied and disclosed in the annual consolidated financial statements for the year ended 31 December 2024. Also see Notes 6 and 14.

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month and six-month periods ended 30 June 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Revenue

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Recognised at a point in time				
Retail	1,426,312	1,291,169	2,608,455	2,330,147
E-commerce	434,922	416,447	754,270	759,144
Wholesale	15,881	13,850	27,544	26,387
	1,877,115	1,721,466	3,390,269	3,115,678
Recognised over time				
Extended warranty program	47,366	42,623	93,214	83,474
Others	7,826	7,240	14,836	13,945
	55,192	49,863	108,050	97,419
Total sales and services	1,932,307	1,771,329	3,498,319	3,213,097
Income from Islamic financing contracts	192,401	149,992	367,057	289,644
	2,124,708	1,921,321	3,865,376	3,502,741

6 Investment in Islamic financing contracts

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Investment in Tawarruq financing contracts, net	2,093,226	1,883,590
Investment in Murabaha financing contracts, net	27,976	65,871
Investment in Islamic credit cards, net	604,922	457,682
	2,726,124	2,407,143
Less: non- current portion	(1,339,403)	(1,212,167)
Current portion	1,386,721	1,194,976

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)
6.1 Reconciliation between gross and net investment in Islamic financing contracts is as follows:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Gross investment in Islamic financing contracts	27,970	29,912	3,185,558	2,863,543	33,442	80,771	721,300	551,924	3,968,270	3,526,150
Unearned finance and processing fee income	(4,272)	(6,214)	(1,020,587)	(924,498)	(4,018)	(12,173)	(90,391)	(79,843)	(1,119,268)	(1,022,728)
Present value of investment in Islamic financing contracts ("P.V of I.F.C.")	23,698	23,698	2,164,971	1,939,045	29,424	68,598	630,909	472,081	2,849,002	2,503,422
Allowance for ECL	(23,698)	(23,698)	(71,745)	(55,455)	(1,448)	(2,727)	(25,987)	(14,399)	(122,878)	(96,279)
Net investment in Islamic financing contracts ("Net investment in I.F.C.")	-	-	2,093,226	1,883,590	27,976	65,871	604,922	457,682	2,726,124	2,407,143
Net investment in I.F.C. - non-current portion	-	-	(1,336,816)	(1,202,280)	(2,587)	(9,887)	-	-	(1,339,403)	(1,212,167)
Net investment in I.F.C. - current portion	-	-	756,410	681,310	25,389	55,984	604,922	457,682	1,386,721	1,194,976

UNITED ELECTRONICS COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial information (Unaudited)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)

6.2 The movement in allowance for ECL/impairment on Islamic financing contracts is as follows:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	23,698	25,425	55,455	49,363	2,727	11,650	14,399	2,530	96,279	88,968
Charge for the period /year	-	(1,727)	66,326	85,784	2,899	17,536	18,419	17,350	87,644	118,943
Amounts written-off	-	-	(50,036)	(79,692)	(4,178)	(26,459)	(6,831)	(5,481)	(61,045)	(111,632)
Closing balance	23,698	23,698	71,745	55,455	1,448	2,727	25,987	14,399	122,878	96,279

6.2.1 Net impairment losses on financial assets:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Charge for the period	-	-	66,326	43,006	2,899	11,253	18,419	6,446	87,644	60,705
Recoveries amount of previously written off	-	-	(17,174)	(8,002)	(4,203)	(3,430)	(757)	-	(22,134)	(11,432)
Net impairment losses on financial assets	-	-	49,152	35,004	(1,304)	7,823	17,662	6,446	65,510	49,273

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6 Investment in Islamic financing contracts (continued)

6.3 Stage-wise analysis of Islamic financing contracts and the respective allowance for ECL/impairment are as follows:

30 June 2025 (Unaudited)	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	P.V of I.F.C	Allowance for ECL	Net investment in I.F.C	P.V of I.F.C	Allowance for ECL	Net investment in I.F.C	P.V of I.F.C	Allowance for ECL	Net investment in I.F.C	P.V of I.F.C	Allowance for ECL	Net investment in I.F.C	P.V of I.F.C	Allowance for ECL	Net investment in I.F.C
Performing (Stage 1)	-	-	-	1,903,272	(22,333)	1,880,939	21,832	(143)	21,689	539,946	(6,105)	533,841	2,465,050	(28,581)	2,436,469
Under- performing (Stage 2)	-	-	-	72,283	(11,009)	61,274	1,534	(125)	1,409	23,199	(4,851)	18,348	97,016	(15,985)	81,031
Non-performing (Stage 3)	23,698	(23,698)	-	189,416	(38,403)	151,013	6,058	(1,180)	4,878	67,764	(15,031)	52,733	286,936	(78,312)	208,624
	23,698	(23,698)	-	2,164,971	(71,745)	2,093,226	29,424	(1,448)	27,976	630,909	(25,987)	604,922	2,849,002	(122,878)	2,726,124

31 December 2024 (Audited)	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	P.V of I.F.C.	Allowance for ECL	Net investment in I.F.C.	P.V of I.F.C.	Allowance for ECL	Net investment in I.F.C.	P.V of I.F.C.	Allowance for ECL	Net investment in I.F.C.	P.V of I.F.C.	Allowance for ECL	Net investment in I.F.C.	P.V of I.F.C.	Allowance for ECL	Net investment in I.F.C.
Performing (Stage 1)	-	-	-	1,723,985	(14,387)	1,709,598	54,789	(200)	54,589	431,110	(4,578)	426,532	2,209,884	(19,165)	2,190,719
Under- performing (Stage 2)	-	-	-	59,231	(9,115)	50,116	2,902	(249)	2,653	13,256	(2,947)	10,309	75,389	(12,311)	63,078
Non-performing (Stage 3)	23,698	(23,698)	-	155,829	(31,953)	123,876	10,907	(2,278)	8,629	27,715	(6,874)	20,841	218,149	(64,803)	153,346
	23,698	(23,698)	-	1,939,045	(55,455)	1,883,590	68,598	(2,727)	65,871	472,081	(14,399)	457,682	2,503,422	(96,279)	2,407,143

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6 Investment in Islamic financing contracts (continued)

6.4 Stage-wise movement in ECL allowance/impairment on investment in Islamic financing contracts is as follows:

30 June 2025 (Unaudited)

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
1 January 2025	19,165	12,311	64,803	96,279
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(6,312)	14,988	(686)	7,990
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(5,646)	(8,995)	33,306	18,665
Individual financial assets transferred to performing (12-month expected credit losses)	413	(1,432)	(1,804)	(2,823)
New financial assets originated	18,676	-	-	18,676
Amounts written-off	-	-	(61,045)	(61,045)
Other changes	2,285	(887)	43,738	45,136
30 June 2025	28,581	15,985	78,312	122,878

31 December 2024 (Audited)

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
1 January 2024	14,677	8,395	65,896	88,968
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(4,677)	11,236	(3,574)	2,985
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(8,971)	(3,374)	34,345	22,000
Individual financial assets transferred to performing (12-month expected credit losses)	648	(2,615)	(1,922)	(3,889)
New financial assets originated	24,878	-	-	24,878
Amounts written-off	-	-	(111,632)	(111,632)
Other changes	(7,390)	(1,331)	81,690	72,969
31 December 2024	19,165	12,311	64,803	96,279

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6 Investment in Islamic financing contracts (continued)

6.5 Category-wise movement in stage-wise ECL allowance/impairment is as follows:

	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	Performing	Under-	Non-	Performing	Under-	Non-	Performing	Under-	Non-	Performing	Under-	Non-	Performing	Under-	Non-
30 June 2025	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)
(Unaudited)															
At 1 January	-	-	23,698	14,387	9,115	31,953	200	249	2,278	4,578	2,947	6,874	19,165	12,311	64,803
Individual															
financial															
assets															
transferred to															
- Stage 1	-	-	-	367	(1,125)	(1,435)	2	(24)	(48)	43	(283)	(319)	412	(1,432)	(1,802)
- Stage 2	-	-	-	(4,247)	10,085	(570)	(24)	102	(25)	(2,040)	4,800	(91)	(6,311)	14,987	(686)
- Stage 3	-	-	-	(4,238)	(6,405)	22,088	(24)	(144)	554	(1,382)	(2,445)	10,663	(5,644)	(8,994)	33,305
New financial															
assets															
originated	-	-	-	13,813	-	-	-	-	-	4,860	-	-	18,673	-	-
Amounts															
written-off	-	-	-	-	-	(49,468)	-	-	(4,179)	-	-	(7,398)	-	-	(61,045)
Other changes	-	-	-	2,251	(661)	35,835	(11)	(58)	2,600	46	(168)	5,302	2,286	(887)	43,737
At 30 June	-	-	23,698	22,333	11,009	38,403	143	125	1,180	6,105	4,851	15,031	28,581	15,985	78,312

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6 Investment in Islamic financing contracts (continued)

6.5 Category-wise movement in stage-wise ECL allowance/impairment is as follows: (continued)

31 December 2024 (Audited)	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)
At 1 January Individual financial assets transferred to	-	-	25,425	12,796	7,282	29,285	1,146	813	9,691	735	300	1,495	14,677	8,395	65,896
- Stage 1	-	-	-	625	(2,375)	(1,778)	14	(187)	(124)	9	(53)	(20)	648	(2,615)	(1,922)
- Stage 2	-	-	-	(4,625)	7,866	(619)	(37)	217	(49)	(15)	3,154	(2,905)	(4,677)	11,237	(3,573)
- Stage 3	-	-	-	(8,345)	(2,985)	29,758	(80)	(300)	1,897	(546)	(89)	2,690	(8,971)	(3,374)	34,345
New financial assets originated	-	-	-	20,167	-	-	79	-	-	4,632	-	-	24,878	-	-
Amounts written-off	-	-	-	-	-	(79,692)	-	-	(26,458)	-	-	(5,481)	-	-	(111,631)
Other changes	-	-	(1,727)	(6,231)	(673)	54,999	(922)	(294)	17,321	(237)	(365)	11,095	(7,390)	(1,332)	81,688
At 31 December	-	-	23,698	14,387	9,115	31,953	200	249	2,278	4,578	2,947	6,874	19,165	12,311	64,803

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6 Investment in Islamic financing contracts (continued)

6.5 Category-wise movement in stage-wise ECL allowance/impairment is as follows: (continued)

Following factors contributed to the change in the ECL allowance during the six month period ended 30 June 2025:

- Transfers between Stage 1, 2 and 3, due to balances experiencing significant increases (or decreases on account of impact of enhanced collection strategies and efforts) in credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL.
- Additional allowances for new financial assets recognised during the period;
- Financial assets written off; and
- 'Other changes' in Stage 3 principally represent net impact of additional allowance for ECL recognised upon write-offs.

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6 Investment in Islamic financing contracts (continued)

6.6 Category-wise movement in stage-wise gross investment in Islamic financing contracts is as follows:

	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)
30 June 2025 (Unaudited)															
At 1 January	-	-	23,698	1,723,985	59,231	155,829	54,789	2,902	10,907	431,110	13,256	27,715	2,209,884	75,389	218,149
Individual financial assets transferred to															
-Stage 1	-	-	-	85,704	(10,995)	(74,708)	7,978	(859)	(7,118)	12,068	(1,902)	(10,166)	105,750	(13,756)	(91,992)
-Stage 2	-	-	-	(65,527)	68,275	(2,748)	(1,559)	1,671	(111)	(21,420)	21,756	(336)	(88,506)	91,702	(3,195)
-Stage 3	-	-	-	(63,553)	(39,706)	103,259	(1,433)	(1,527)	2,960	(29,008)	(11,056)	40,064	(93,994)	(52,289)	146,283
New financial assets originated	-	-	-	829,224	-	-	145	-	-	237,178	-	-	1,066,547	-	-
Amounts written-off	-	-	-	-	-	(50,036)	-	-	(4,179)	-	-	(6,829)	-	-	(61,044)
Collections and other changes	-	-	-	(606,561)	(4,522)	57,820	(38,088)	(653)	3,599	(89,982)	1,145	17,316	(734,631)	(4,030)	78,735
At 30 June	-	-	23,698	1,903,272	72,283	189,416	21,832	1,534	6,058	539,946	23,199	67,764	2,465,050	97,016	286,936

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6 Investment in Islamic financing contracts (continued)

6.6 Category-wise movement in stage-wise gross investment in Islamic financing contracts is as follows: (continued)

	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	Performing	Under-	Non-	Performing	Under-	Non-	Performing	Under-	Non-	Performing	Under-	Non-	Performing	Under-	Non-
	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)	(Stage 1)	(Stage 2)	(Stage 3)
31 December 2024 (Audited)															
At 1 January	-	-	25,425	1,363,519	94,489	122,671	231,559	13,124	39,840	56,654	3,111	5,961	1,651,732	110,724	193,897
Individual financial assets transferred to															
- Stage 1	-	-	-	37,965	(30,278)	(7,687)	15,046	(2,983)	(12,062)	5,407	(754)	(4,653)	58,418	(34,015)	(24,402)
- Stage 2	-	-	-	(52,288)	54,942	(2,654)	(3,859)	4,068	(209)	(12,909)	12,940	(31)	(69,056)	71,950	(2,894)
- Stage 3	-	-	-	(100,805)	(39,336)	140,141	(5,826)	(4,639)	10,464	(20,594)	(1,867)	22,461	(127,225)	(45,842)	173,066
New financial assets originated	-	-	-	1,085,187	-	-	5,157	-	-	412,644	-	-	1,502,988	-	-
Amounts written-off	-	-	-	-	-	(79,692)	-	-	(26,458)	-	-	(5,481)	-	-	(111,631)
Collections and other changes	-	-	(1,727)	(609,593)	(20,586)	(16,950)	(187,288)	(6,668)	(668)	(10,092)	(174)	9,458	(806,973)	(27,428)	(9,887)
At 31 December	-	-	23,698	1,723,985	59,231	155,829	54,789	2,902	10,907	431,110	13,256	27,715	2,209,884	75,389	218,149

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6 Investment in Islamic financing contracts (continued)

6.7 Maturity profile of gross investment in Islamic financing contracts and present value of investment in Islamic financing contracts is as follows:

	30 June 2025	31 December 2024
Gross investment in Islamic financing contracts		
Within one year	1,693,175	1,507,452
From one to two years	1,039,732	922,557
From two to three years	628,379	557,563
From three to four years	423,793	376,033
Four to five years	183,191	162,545
	3,968,270	3,526,150
Present value of investment in Islamic financing contracts		
Within one year	1,436,845	1,263,995
From one to two years	670,143	588,174
From two to three years	402,589	353,346
From three to four years	243,248	213,495
Four to five years	96,177	84,412
	2,849,002	2,503,422

7 Cash and cash equivalents

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash at banks	245,715	146,460
Time deposits	29,110	319,444
Cash in hand	8,929	9,665
	283,754	475,569

Time deposits (conventional), are held with commercial banks for a maturity of one month. Such deposits yield finance income at 3.50% per annum.

8 Borrowings

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Long-term borrowings		
Murabaha facilities	1,498,146	1,267,450
Accrued finance cost	12,203	8,219
	1,510,349	1,275,669
Classification of borrowings is presented below:		
Current portion (including short-term borrowings)	495,327	426,613
Non-current portion	1,015,022	849,056
	1,510,349	1,275,669

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8 Borrowings (continued)

8.1 *The movement in the Group's borrowings is as follows:*

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
At the beginning of the period/year	1,275,669	1,353,359
Proceeds from long-term borrowings	683,000	923,101
Proceeds from short-term borrowings	125,000	1,776,218
Repayment of long-term borrowings	(452,304)	(595,188)
Repayment of short-term borrowings	(125,000)	(2,183,006)
Finance cost accrued	45,721	139,913
Finance cost paid	(41,737)	(138,728)
At the end of the period/year	1,510,349	1,275,669

8.2 *The maturities of the principal portion of the Group's borrowings are as follows:*

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Less than 6 months	217,626	209,198
Between 6 to 12 months	265,500	209,197
Between 1 and 2 years	428,000	368,394
Between 2 and 5 years	570,770	480,661
More than 5 years	16,250	-
	1,498,146	1,267,450

Maturity profile of borrowings, including finance cost component, is disclosed in Note 14.

8.3 UCFS has obtained borrowings under Islamic financing arrangements with commercial banks in the Kingdom of Saudi Arabia. All loan facilities above are denominated in Saudi Riyals and bear financial charges based on Saudi Arabian Interbank Offered Rate ("SAIBOR") plus certain margins. The Company's borrowings are carried at amortised cost and are periodically contractually repriced after every three months, in line with the terms of the borrowing arrangements.

The facility-wise breakdown of the outstanding loan balance is as follows:

		30 June 2025	31 December 2024
	Note	(Unaudited)	(Audited)
Long-term borrowings			
Murabaha I	8.3.1	658,000	350,000
Murabaha II	8.3.2	164,000	234,575
Murabaha III	8.3.3	460,938	487,250
Murabaha IV	8.3.4	190,208	195,625
Murabaha V	8.3.5	25,000	-
		1,498,146	1,267,450
Accrued finance cost		12,203	8,219
		1,510,349	1,275,669

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8 Borrowings (continued)

The financial charges incurred during the period increased on account of increase in amount of borrowings. Certain credit facility agreements contain financial covenants requiring maintenance of certain financial ratios and other matters, of which UCFS was in compliance with at 30 June 2025.

Details of the type of borrowings facilities availed by UCFS are as follows:

Long term borrowings

8.3.1 Murabaha I

Total amount available to UCFS under such facility is Saudi Riyals 925.0 million. Each tranche of facility utilisation is repayable in 16 quarterly installments commencing 6 months after receipt of the borrowed amount. As at 30 June 2025, UCFS has an outstanding loan balance of Saudi Riyals 658.0 million against this facility (31 December 2024: Saudi Riyals 350.0 million).

Under the terms of this borrowing facility, UCFS is required to maintain a minimum ratio of 1.2 to 1 of earnings before interest, tax, depreciation and amortisation ("EBITDA") to Debt Service. As at 30 June 2025, the ratio of EBITDA to debt service was 4.1 (31 December 2024: 4.2), in compliance with the requirements of the minimum ratio as set out in such facility agreement. UCFS is also required to monitor the aggregate amount of financing offered by UCFS in line with the regulatory requirements of SAMA, which requires companies engaged in financing other than real estate, not to exceed aggregate financing to capital ratio of three times, which is calculated by dividing net investment in Islamic financing contracts by total equity. As at 30 June 2025, such ratio of investment in Islamic financing contracts to net equity was 2.3 (31 December 2024: 2.2), in compliance with the requirements of SAMA.

8.3.2 Murabaha II

Total amount available to UCFS under such facility is Saudi Riyals 800.0 million. Each tranche of facility utilisation is repayable in 20 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 30 June 2025, UCFS has an outstanding loan balance of Saudi Riyals 164.0 million against this facility (31 December 2024: Saudi Riyals 234.6 million).

Under the terms of this borrowing facility, UCFS is required to maintain a minimum current ratio of 1.05. As at 30 June 2025, the current ratio was 2.5 (31 December 2024: 2.4), in compliance with the requirements of the minimum ratio as set out in such facility agreement.

8.3.3 Murabaha III

Total amount available to UCFS under such facility is Saudi Riyals 500.0 million. Each tranche of facility utilisation is repayable in 20 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 30 June 2025, UCFS has an outstanding loan balance of Saudi Riyals 460.9 million against this facility (31 December 2024: Saudi Riyals 487.3 million).

Under the terms of this borrowing facility, UCFS is required to maintain a minimum current ratio of 1.1. As at 30 June 2025, the current ratio was 2.5 (31 December 2024: 2.4), in compliance with the requirements of the minimum ratio as set out in such facility agreement. UCFS is also required to maintain a minimum net equity balance of Saudi Riyals 480.0 million. As at 30 June 2025, the net equity for UCFS was Saudi Riyals 1,183 million (31 December 2024: Saudi Riyals 1,110.0 million), in compliance with the requirements of the minimum balance as set out in such facility agreement.

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8 Borrowings (continued)

8.3.4 Murabaha IV

Total amount available to UCFS under such facility is Saudi Riyals 200.0 million. Each tranche of facility utilisation is repayable in 48 monthly installments commencing one month after receipt of the borrowed amount. As at 30 June 2025, UCFS has an outstanding loan balance of Saudi Riyals 190.2 million against this facility (31 December 2024: Saudi Riyals 195.6 million).

Under the terms of this borrowing facility, UCFS is required to comply with the following financial covenants, of which UCFS was in compliance with at 30 June 2025:

- UCFS' borrowings to total equity ratio is required to not exceed the ratio of 3 to 1. As at 30 June 2025, the ratio of borrowings to total equity was 1.3 to 1 (31 December 2024: 1.2 to 1);

- UCFS' borrowings to not exceed 80% of net investment in Islamic financing contracts for both stage 1 and stage 2. As at 30 June 2025, such ratio of borrowings to Islamic financing contracts for both stage 1 and stage 2 was 60% (31 December 2024: 56.6%);

- UCFS' non-performing (stage 3) balance of net investment in Islamic financing contracts to not exceed 10% of the net investment in Islamic financing contracts. As at 30 June 2025, the ratio of non-performing balance to Islamic financing contracts was 7.7% (31 December 2024: 6.4%); and

- The Company's shareholding (direct or indirect) in UCFS to not go below 51%. As at 30 June 2025, the Company's direct and indirect shareholding was 70% (31 December 2024: 70%).

8.3.5 Murabaha V

Total amount available to UCFS under such facility is Saudi Riyals 150.0 million. Each tranche of facility utilisation is repayable in 17 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 30 June 2025, UCFS has an outstanding loan balance of Saudi Riyals 25.0 million against this facility. There are no financial covenants under the terms of this borrowing facility, UCFS has no financial covenants requirements.

9 Trade and other payables

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade payables		749,298	735,397
Advances from customers		77,298	49,261
Accrued expenses		88,457	79,475
Salaries and benefits		44,429	48,023
Value added tax payable		19,565	28,399
Gift cards		19,282	20,451
Due to related parties	11	4,023	5,522
Others		16,095	20,531
		1,018,447	987,059

10 Segmental information

a) Operating segments

The Group is organised into business units based on factors including distribution method, targeted customers, products and geographic location.

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10 Segmental information (continued)

a) Operating segments (continued)

The Group has two major operating segments namely, 'Sales and services' and 'Consumer finance'. The Board of Directors of the Group, considered as Chief Operating Decision Maker, review the internal management reports of each segment at least quarterly for the purpose of resources allocation and assessment of performance. All other operating segments that are not reportable are combined under "Others".

The following summary describes the operations of each reportable segment.

Reportable segment	Operation
Sales and services	Retail, wholesale, e-commerce, installation and repair services of electronic products, computers, smartphones and accessories, extended warranties, gift cards and installment sales.
Consumer finance	Consumer financing under Murabaha, Tawarruq and Islamic credit card financing arrangements (Tas'heel).

The segmental information was as follows:

As at and for the six-month period ended 30 June 2025 (Unaudited)

	Sales and services	Consumer finance	Others	Intersegment eliminations	Total
Revenue					
- At a point in time	3,390,269	-	-	-	3,390,269
- Over time	110,095	367,057	15,178	(17,223)	475,107
	3,500,364	367,057	15,178	(17,223)	3,865,376
Net profit	110,322	123,138	(5,532)	-	227,928
Total assets	3,005,579	2,797,769	68,241	(226,600)	5,644,989
Total liabilities	2,043,413	1,614,764	222,368	(226,600)	3,653,945

For the six-month period ended 30 June 2024 (Unaudited)
(As conformed to 2025 presentation)

	Sales and services	Consumer finance	Others	Intersegment eliminations	Total
Revenue					
- At a point in time	3,115,678	-	-	-	3,115,678
- Over time	99,773	289,258	10,586	(12,554)	387,063
	3,215,451	289,258	10,586	(12,554)	3,502,741
Net profit	101,289	98,695	483	-	200,467

As at 31 December 2024 (Audited)

Total assets	3,123,711	2,484,995	13,948	(221,032)	5,401,622
Total liabilities	1,991,894	1,375,157	212,153	(221,032)	3,358,172

The group management uses segment revenue and net profit to measure performance being the most relevant in evaluating the results of segments.

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10 Segmental information (continued)

b) Geographical segments

The geographical information below analyses the Group's revenue, net profit, total assets and total liabilities as follows:

As at and for the six-month period ended 30 June 2025 (Unaudited)

	Kingdom of Saudi Arabia	Others	Intersegment eliminations	Total
Revenue				
- At a point in time	3,175,458	214,811	-	3,390,269
- Over time	471,383	20,947	(17,223)	475,107
	3,646,841	235,758	(17,223)	3,865,376
Net profit	225,370	2,558	-	227,928
Total assets	5,589,836	281,753	(226,600)	5,644,989
Total liabilities	3,618,413	262,132	(226,600)	3,653,945

For the six-month period ended 30 June 2024 (Unaudited)
(As conformed to 2025 presentation)

	Kingdom of Saudi Arabia	Others	Intersegment eliminations	Total
Revenue				
- At a point in time	2,895,006	220,672	-	3,115,678
- Over time	384,478	15,139	(12,554)	387,063
	3,279,484	235,811	(12,554)	3,502,741
Net profit	196,781	3,686	-	200,467

As at 31 December 2024 (Audited)

	Kingdom of Saudi Arabia	Others	Intersegment eliminations	Total
Total assets	5,369,619	253,035	(221,032)	5,401,622
Total liabilities	3,342,742	236,462	(221,032)	3,358,172

11 Related party transactions and balances

Related parties comprise the significant shareholders, affiliated companies (representing entities directly or indirectly controlled by the Group's significant shareholders) and key management personnel (including directors) and business over which they exercise control or significant influence. Related parties also include business entities in which certain directors or senior management have control or joint control.

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11 Related party transactions and balances (continued)

(a) *The following transactions were entered into by the Group with its related parties:*

Nature of transaction	Relationship	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Sales	Major shareholder	32	43	54	89
	Affiliated Companies	-	8	-	9
Purchases	Affiliated Companies	2,211	523	2,285	760
Rental income	Affiliated Companies	377	391	766	783
Rent expense	Affiliated Companies	1,313	505	2,626	1,011
Other expenses charged to	Affiliated Companies	57	51	57	396
Other expenses charged by	Affiliated Companies	327	32	377	82

The transactions are based on terms agreed as per the underlying agreements between the Group and the respective related parties.

(b) *Key management personnel compensation*

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Salaries and other employee benefits	3,090	3,032	6,072	5,709
Board of Directors' fees	213	46	258	58
	3,303	3,078	6,330	5,767

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11 Related party transactions and balances (continued)

(c) Due from related parties - affiliated companies

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
United Homeware Company	2,384	2,407
Retal Urban Development Company	6	8
	2,390	2,415

(d) Due to related parties - affiliated companies

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Reliable Trading Company (formerly known as Al Quraishi Marketing Company Limited)	2,815	125
Madar Hardware Company	663	888
Ajwad Alkhair Aalkhairiyah	496	-
Distributing and Marketing Company Limited	49	3,982
Abdullatif And Mohammed Al Fozan Holding Company	-	496
Al Yassra Trading Co.	-	31
	4,023	5,522

The above balances are receivable/payable based on the terms agreed as per the signed agreements between the Group and the respective related parties and do not bear any financial cost.

12 Earnings per share

	For the three-month period ended 30 June 2025	2024	For the six-month period ended 30 June 2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to the shareholders of the Company	124,484	106,604	227,928	200,467

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12 Earnings per share (continued)

The weighted average number of shares used as the denominator are as follows:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares used in calculating basic earnings per share	76,221,118	76,478,225	76,306,672	76,478,225
Adjustment for treasury shares	3,778,882	3,521,775	3,693,328	3,521,775
Weighted average number of ordinary shares used in calculating diluted earnings per share	80,000,000	80,000,000	80,000,000	80,000,000
Earnings per share (Saudi Riyals)				
Basic earnings per share	1.63	1.39	2.99	2.62
Diluted earnings per share	1.56	1.33	2.85	2.51

13 Contingencies

- (i) At 30 June 2025, the Group was contingently liable for bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 700.6 million (31 December 2024: Saudi Riyals 683.3 million).
- (ii) As at 30 June 2025 and 31 December 2024, there were no significant capital expenditure or other commitments.

14 Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, profit rate risk and liquidity risk. The Group's overall risk management program, which is carried out by senior management under policies reviewed by the Board of Directors, focuses on having cost effective funding as well as managing financial risks to minimise earning volatility and provide maximum return to the shareholders.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management and the Board of Directors are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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14 Financial risk management (continued)

The risks faced by the Group and their respective mitigating strategies are summarised below:

14.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause a financial loss to the Group. The maximum exposure to credit risk is equal to the carrying amount of financial assets. As at 30 June 2025, the Group has maintained an ECL allowance of Saudi Riyals 122.9 million (31 December 2024: Saudi Riyals 96.3 million), which is considered adequate to provide for any losses which may be sustained on realisation of financial assets.

The management analyses credit risk into the following categories:

Investment in Islamic financing contracts

Investment in Tawarruq, Murabaha and credit card finance contracts is generally exposed to significant credit risk. Therefore, the Group has established procedures to manage credit exposure including evaluation of customers' credit worthiness, formal credit approvals and assigning credit limits.

The overall decision to lend to a particular customer is based on the following key parameters:

- Dual credit score i.e. SIMAH and internal application scoring system;
- Minimum income level and maximum debt burden of the borrower; and
- Loan repayment history with other financial institutions sourced from SIMAH.

The Group does not have any significant concentration of credit risk since it enters into Islamic Financing Contracts with individual customers only. At the inception of the contract, internal credit risk ratings are allocated to each exposure. These credit risk grades are defined using a variety of qualitative and quantitative factors including income levels, employment segment, nationality etc.

A significant number of customers are Government sector employees. The Group generally receives repayments through variable channels such as SADAD, regular and virtual bank transfers. The Group has approved collection policies and procedures establishing a collection strategy to follow up with the delinquent customers. In order to monitor exposure to credit risk, reports are reviewed by the Risk and Credit Management Committee and the Board of Directors on a quarterly basis.

Furthermore, the Group has also strengthened its legal department in order to be actively involved in the collection process of delinquent customers. An allowance for ECL is maintained at a level which, in the judgment of management, is adequate to provide for potential losses that can be reasonably anticipated.

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14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

The following tables sets out information about the credit quality of investment in Islamic financing contracts:

(a) *Stage-wise analysis of gross investment in Islamic financing contracts, in comparison with internal credit risk rating assigned at the inception of the respective contracts. The amounts in the table represent gross carrying amounts.*

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
30 June 2025				
<i>Internal credit risk ratings</i>				
Low risk	1,259,653	25,406	70,409	1,355,468
Medium risk	1,105,386	44,591	118,771	1,268,748
High risk	1,103,337	61,153	179,564	1,344,054
	3,468,376	131,150	368,744	3,968,270
	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
31 December 2024				
<i>Internal credit risk ratings</i>				
Low risk	1,147,540	22,553	50,738	1,220,831
Medium risk	995,000	35,240	84,700	1,114,940
High risk	993,157	45,740	151,482	1,190,379
	3,135,697	103,533	286,920	3,526,150

Subsequent to initial recognition, the Group monitors the credit quality of its exposures based on staging criteria and past due ageing of the exposures.

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14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

(b) Ageing analysis of net investment in Islamic financing contracts based on due balances according to the respective contractual repayment schedules:

	Installment sales receivable		Tawarruq finance		Murabaha finance		Islamic Credit Card		Total	
	31 30 June 2025	31 December 2024	31 30 June 2025	31 December 2024	31 30 June 2025	31 December 2024	31 30 June 2025	31 December 2024	31 30 June 2025	31 December 2024
Not past due	-	-	1,806,913	1,645,459	20,421	52,293	523,288	419,860	2,350,622	2,117,612
Past due 1-30 days	-	-	96,360	78,526	1,412	2,496	16,659	11,250	114,431	92,272
Past due 31-90 days	-	-	72,283	59,231	1,534	2,902	23,199	13,256	97,016	75,389
Past due 91-180 days	-	-	67,362	38,846	1,770	1,907	32,294	10,417	101,426	51,170
Past due 181-364 days	-	-	94,768	96,896	2,986	6,787	30,751	14,014	128,505	117,697
Over 365 days	23,698	23,698	27,285	20,087	1,301	2,213	4,718	3,284	57,002	49,282
	23,698	23,698	2,164,971	1,939,045	29,424	68,598	630,909	472,081	2,849,002	2,503,422
Less: Impairment for Islamic financing contracts	(23,698)	(23,698)	(71,745)	(55,455)	(1,448)	(2,727)	(25,987)	(14,399)	(122,878)	(96,279)
Net investment in Islamic financing contracts	-	-	2,093,226	1,883,590	27,976	65,871	604,922	457,682	2,726,124	2,407,143

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14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

The Group applies three-stage model for impairment of Investment in Islamic financing contracts, in line with the requirements of IFRS 9 'Financial Instruments', based on changes in credit quality since initial recognition. The assessment of credit risk in the net investment in Islamic financing receivables requires further estimations of credit risk using ECL which is derived by Probability of default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

The Group measures an ECL at a contract level considering the EAD, PD, LGD and discount rates. PD estimates are estimates at a certain date, based on the term structures as provided below. For LGD estimates, the Group uses present value of recoveries for loss accounts adjusted by the forward-looking information. EAD represents the exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract i.e. contractual repayments. Such financing contracts are not collateralised. For discounting, the Group has used each contract's effective profit rate.

PD has been calculated as a probability that an exposure will move to more than 90 days past due in the next 12 months or over the remaining lifetime of the obligation. 'Through-the-Cycle' estimates were calculated based on collection and default trends. Such "Through-the-Cycle" PD rates are later converted to 'Point-in-time' PD rates by incorporating the forward-looking information using the Vasicek framework.

LGD inputs have been calculated using the "Through-the-Cycle" estimates based on historical collection and default trends of Murabaha, Tawarruq and credit card portfolios, which are later converted to 'Point-in-time' LGD rates using the Jacob-Frye methodology.

The Group measures the ECL as either a probability-weighted 12-month ECL (Stage 1) or a probability weighted lifetime ECL (Stage 2 and 3). These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weightings of 15%, 70% and 15% for "upturn", "baseline" and "downturn" scenarios respectively which are computed through statistical methodologies.

As at 30 June 2025, the Exports of Goods and Services (% change per annum), Crude petroleum (% change per annum) and Foreign-exchange reserves (% change per annum) incorporated in the upturn, baseline and downturn scenarios were as follows:

	Upturn	Baseline	Downturn
Exports of Goods and Services (% change per annum)	11.9%	2.7%	(6.5%)
Crude petroleum (% change per annum)	55.7%	48.8%	41.8%
Foreign-exchange reserves (% change per annum)	0.019%	0.001%	(0.016%)

During the six-month period ended 30 June 2025, there have been no significant changes to the underlying methodology used for determination of ECL from those that were used for the purpose of determining the ECL allowance as at the year ended 31 December 2024, including the weight assigned to each scenario i.e. upturn, baseline and downturn scenarios.

The Group's management believes that adequate ECL allowance has been made, where required to address the credit risk.

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14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

c) *Sensitivity analysis:*

**Impact on statement of
profit or loss and other
comprehensive income
for the three-month
period ended 31 March
2025**
(in millions)

Key assumptions

*Macroeconomic factors (Exports of Goods and Services, Crude
petroleum and Foreign-exchange reserves)*

Increase by 10%	1.8
Decrease by 10%	(2.8)

PD and LGD

Increase by 10%	(14.4)
Decrease by 10%	12.2

Scenario weightings

100% weightage assigned to base scenarios	1.7
100% weightage assigned to downside scenarios	(31.8)

Trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

The average credit period on sales of goods is 30-90 days. No interest is charged on trade receivables. Before accepting any new customer, the Group has a credit policy set in place to assess the potential customer's credit quality and defines the credit limits. These procedures are reviewed and updated on an ongoing basis. At 30 June 2025, 90.5% of trade receivables were due from 2 customers (31 December 2024: 77% from 2 customers). Management believes that this concentration of credit risk is mitigated as the customer has established track record of regular and timely payments.

The expected loss rates are based on the payment profiles of sales over a period of 18 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the inflation rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group does not hold any collateral as security.

The Group considers any trade receivables overdue for more than a year to be in default and are accordingly fully provided for. The loss rates for the other ageing buckets are not significant. The identified ECL on trade and other receivables is trivial and accordingly, no ECL has been recognised by the Group during the three-month and six-month periods ended 30 June 2025.

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14 Financial risk management (continued)

14.1 Credit risk (continued)

Trade and other receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the profit or loss.

The other classes within trade and other receivables do not contain impaired assets and are also not exposed to significant credit risk. The maximum exposure to credit risk at reporting date is the carrying amount of each receivable.

Net investment in finance lease

Net investment in finance lease is stated at amortised cost. The Group uses simplified approach under IFRS 9 to calculate the ECL allowance. At 30 June 2025 and 31 December 2024, the ECL allowance on net investment in finance lease was immaterial.

Cash and cash equivalents

The Group uses “lower credit risk” practical expedient for the cash and cash equivalents with the assumption that the credit risk on such financial instruments has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months. Cash and cash equivalents are placed with banks having minimum credit ratings of A3 or better, and therefore are not subject to significant credit risk. The stated rating is as per the global bank ratings by Moody’s Investors Service. Management does not expect any losses from non-performance by these counterparties. At 30 June 2025 and 31 December 2024, the ECL allowance on cash at bank was immaterial.

Other financial assets at amortised cost include other receivables. These instruments are considered to carry lower credit risk since they have a low risk of default and the issuers have a strong capacity to meet their contractual cash flow obligations in the near term. At 30 June 2025 and 31 December 2024, the ECL allowance on other financial assets was immaterial.

14.2 Profit rate risk

Profit rate risk is the uncertainty of future earnings and expenses resulting from fluctuations in profit rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to profit rate adjustment within a specified period. The most important source of such risk is the Group’s Islamic financing activities and long-term borrowings. As at the consolidated statement of financial position date, the Group has profit bearing financial assets of Saudi Riyals 2,726.1 million (31 December 2024: Saudi Riyals 2,407.1 million). Further, the Group also has variable profit bearing financial liabilities of Saudi Riyals 1,510.3 million (31 December 2024: Saudi Riyals 1,275.7 million) and had the profit rate varied by 1% with all the other variables held constant, total comprehensive income /loss for the year would have been approximately Saudi Riyals 28.9 million (31 December 2024: Saudi Riyals 25.6 million) higher / lower, as a result of lower / higher finance cost on variable rate borrowings.

The Group’s financial assets and liabilities are not significantly exposed to other elements of market risk including fair value risk, price risk and currency risk.

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14 Financial risk management (continued)

14.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. In addition, the Group has access to credit facilities as made available by the shareholder.

Total unused credit facilities available to the Group as at 30 June 2025 were approximately Saudi Riyals 3,081.0 million (31 December 2024: Saudi Riyals 2,714.0 million).

Cash flow forecasting is performed by the management which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Such cash flow forecasts consider, among other items, that the Group has pre-agreed fixed profit rates from its customers under Murabaha and Tawarruq financing contracts, whereas its borrowings from commercial banks are based on SAIBOR based variable finance costs. The maturity profile of financial assets and financial liabilities are set out in the table below which demonstrates a significant head room of financial assets over financial liabilities. Management also believes that any change in the variable finance costs of their borrowings would not result in the entity facing any liquidity issues. The cash flows of the Group, during the six-month period ended 30 June 2025, have been principally consistent with the underlying budgeted forecasts and there are no developments which might indicate towards any potential liquidity concerns in the near future.

The tables below summarise the Group's financial assets and financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances, as the impact of discounting is not significant.

	Less than one year	1-2 Years	3-5 years	Above 5 years	Total
30 June 2025					
Trade and other payables	1,018,447	-	-	-	1,018,447
Borrowings	495,329	428,000	570,769	-	1,494,098
Lease liabilities	85,483	83,141	245,312	533,168	947,104
Total	1,599,259	511,141	816,081	533,168	3,459,649
31 December 2024					
Trade and other payables	987,059	-	-	-	987,059
Borrowings	426,614	368,394	480,661	-	1,275,669
Lease liabilities	83,456	81,206	236,761	547,783	949,206
Total	1,497,129	449,600	717,422	547,783	3,211,934

UNITED ELECTRONICS COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial information (Unaudited)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Dividends

The Company's Board of Directors, in their meeting held on 4 March 2025, resolved to distribute cash dividends of Saudi Riyal 3.0 per share, amounting to Saudi Riyal 240.0 million, for the second half of the year ended 31 December 2024 (2024: Saudi Riyals 160.0 million for the second half of the year ended 31 December 2023) which was fully paid during the three-month and six-month periods ended 30 June 2025.

Dividends presented in the consolidated statement of changes in equity are net of dividends on treasury shares.