

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

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

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

**Condensed consolidated interim financial statements with independent auditor's review report**  
**For the three and six - month periods ended 30 June 2025**  
**(All amounts stated in Saudi Riyals unless otherwise stated)**

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**KPMG Professional Services Company**  
 16<sup>th</sup> Floor, Al Barghash Tower  
 6189 Prince Turki Road, Al Corniche  
 P.O. Box 4803  
 Al Khobar, 34412 - 3146  
 Kingdom of Saudi Arabia  
 Commercial Registration No 2051062328  
**Headquarters in Riyadh**

**شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية**  
 الطابق ١٦، برج البغاش  
 ٦١٨٩ طريق الأمير تركي، الكورنيش  
 ص.ب ٤٨٠٣  
 الخبر ٣٤٤١٢ - ٣١٤٦  
 المملكة العربية السعودية  
 سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨  
**المركز الرئيسي في الرياض**

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

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

## Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of Electrical Industries Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed consolidated interim financial statements.

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

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed consolidated interim financial statements of Electrical Industries Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company



**Abdullah Oudah Althagafi**

License No: 455

Al Khobar, 28 July, 2025

Corresponding to: 3 Safar, 1447.




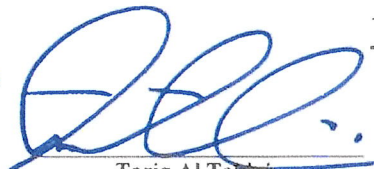
**Electrical Industries Company**  
(A Saudi Joint Stock Company)


**Condensed consolidated statement of financial position**  
**As at 30 June 2025**

(All amounts stated in Saudi Riyals unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	313,944,403	273,156,644
Right-of-use assets	4	29,896,540	22,407,591
Intangible assets		7,844,416	7,686,787
Financial assets at fair value through other comprehensive income	13	21,884,250	22,078,242
<b>Total non-current assets</b>		<b>373,569,609</b>	<b>325,329,264</b>
<b>Current assets</b>			
Inventories	5	710,655,264	756,634,124
Trade receivables	6	779,038,550	618,975,599
Prepayments and other current assets	7	83,518,730	61,134,168
Cash and cash equivalents		212,871,847	188,914,979
<b>Total current assets</b>		<b>1,786,084,391</b>	<b>1,625,658,870</b>
<b>Total assets</b>		<b>2,159,654,000</b>	<b>1,950,988,134</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		562,500,000	562,500,000
Treasury shares		(9,861,621)	(9,861,621)
Foreign currency translation reserve		2,832,944	(3,404,645)
Share based payment reserve		1,951,451	1,919,741
Fair value reserve		260,554	454,546
Retained earnings		513,976,755	394,453,743
<b>Total equity</b>		<b>1,071,660,083</b>	<b>946,061,764</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		28,672,422	22,694,864
Employees' benefits		120,608,625	115,065,631
<b>Total non-current liabilities</b>		<b>149,281,047</b>	<b>137,760,495</b>
<b>Current liabilities</b>			
Short-term murabaha borrowings	9	35,818,603	66,424,824
Trade payables		132,451,973	142,223,945
Advances from customers		508,549,887	474,053,825
Accrued expenses and other current liabilities	8	233,724,143	158,773,576
Dividends payable	16	558,348	-
Current portion of lease liabilities		4,372,747	2,056,958
Zakat and income tax liabilities	12	23,237,169	23,632,747
<b>Total current liabilities</b>		<b>938,712,870</b>	<b>867,165,875</b>
<b>Total liabilities</b>		<b>1,087,993,917</b>	<b>1,004,926,370</b>
<b>Total equity and liabilities</b>		<b>2,159,654,000</b>	<b>1,950,988,134</b>

  
Yousef Al Quraishi  
(Designated member)

  
Tariq Al Tahiri  
(Managing Director)

  
Medhat A. Ghaleb  
(EVP Finance and IT)

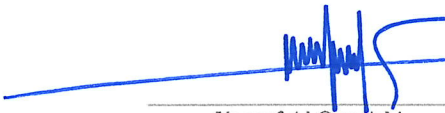
The accompanying notes 1 through 18 form an integral part of these condensed consolidated interim financial statements.

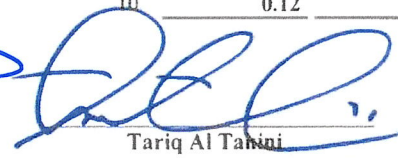
**Electrical Industries Company**  
(A Saudi Joint Stock Company)

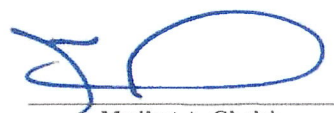
**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the three and six-month periods ended 30 June 2025**

(All amounts stated in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	14	531,357,608	494,888,480	1,038,043,433	1,036,977,095
Cost of revenue		(340,112,302)	(327,312,480)	(661,204,393)	(719,026,781)
<b>Gross profit</b>		<b>191,245,306</b>	<b>167,576,000</b>	<b>376,839,040</b>	<b>317,950,314</b>
Selling and distribution expenses		(17,290,733)	(14,096,227)	(35,582,607)	(36,604,859)
General and administrative expenses		(25,809,879)	(40,460,922)	(52,704,567)	(64,066,199)
Provision of expected credit loss allowance		-	(953,446)	(2,660,905)	(5,223,914)
Other operating income / (expenses)		1,917,719	32,358	2,064,743	(884,511)
<b>Operating profit</b>		<b>150,062,413</b>	<b>112,097,763</b>	<b>287,955,704</b>	<b>211,170,831</b>
Finance cost		(2,825,149)	(8,966,481)	(6,142,808)	(18,178,934)
<b>Profit before zakat and income tax</b>		<b>147,237,264</b>	<b>103,131,282</b>	<b>281,812,896</b>	<b>192,991,897</b>
Zakat and income tax expense	12	(10,520,184)	(2,517,209)	(21,664,884)	(17,148,182)
<b>Profit for the period</b>		<b>136,717,080</b>	<b>100,614,073</b>	<b>260,148,012</b>	<b>175,843,715</b>
<b>Other comprehensive income / (loss)</b>					
<i>Items that may be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i>					
Foreign operations – foreign currency translation differences		4,271,924	(301,054)	6,237,589	(1,096,880)
<i>Items that will not be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i>					
Equity investments at FVOCI – net change in fair value		(117,401)	32,900	(193,992)	125,020
<b>Other comprehensive income / (loss) for the period</b>		<b>4,154,523</b>	<b>(268,154)</b>	<b>6,043,597</b>	<b>(971,860)</b>
<b>Total comprehensive income for the period</b>		<b>140,871,603</b>	<b>100,345,919</b>	<b>266,191,609</b>	<b>174,871,855</b>
<b>Earnings per share (Saudi Riyals)</b>					
Basic	10	0.12	0.09	0.23	0.16
Diluted	10	0.12	0.09	0.23	0.16

  
Yousef Al Quraishi  
(Designated member)

  
Tariq Al Tahini  
(Managing Director)

  
Medhat A. Ghaleb  
(EVP Finance and IT)

The accompanying notes 1 through 18 form an integral part of these condensed consolidated interim financial statements.

**Electrical Industries Company**  
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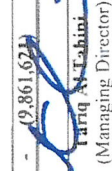
**Condensed consolidated statement of changes in equity**

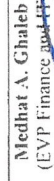
**For the six-month period ended 30 June 2025**

**(All amounts stated in Saudi Riyals unless otherwise stated)**

	Share capital	Statutory reserve	Treasury shares	Share based payment reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
As at 1 January 2024 (Audited)	562,500,000	62,175,598	(9,861,621)	1,501,809	(980,490)	264,516	129,198,585	744,798,397
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	175,843,715	175,843,715
Profit for the period	-	-	-	-	(1,096,880)	125,020	-	(971,860)
Other comprehensive (loss) / income for the period	-	-	-	-	(1,096,880)	125,020	175,843,715	174,871,855
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	435,765	-	-	-	435,765
Utilization of share-based payment reserve	-	-	-	(1,837,575)	-	-	-	(1,837,575)
Dividends (note 16)	-	-	-	(1,401,810)	-	-	-	(1,401,810)
Transfer to retained earnings	-	(62,175,598)	-	-	-	-	62,175,598	-
As at 30 June 2024 (Unaudited)	562,500,000	-	(9,861,621)	99,999	(2,077,370)	389,536	282,842,898	833,893,442
<b>As at 1 January 2025 (Audited)</b>	<b>562,500,000</b>	<b>-</b>	<b>(9,861,621)</b>	<b>1,919,741</b>	<b>(3,404,645)</b>	<b>454,546</b>	<b>394,453,743</b>	<b>946,061,764</b>
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	260,148,012	260,148,012
Profit for the period	-	-	-	-	6,237,589	(193,992)	-	6,043,597
Other comprehensive income / (loss) for the period	-	-	-	-	6,237,589	(193,992)	260,148,012	266,191,609
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	314,333	-	-	-	314,333
Utilization of share-based payment reserve	-	-	-	(282,623)	-	-	-	(282,623)
Dividends (note 16)	-	-	-	31,710	-	-	-	31,710
As at 30 June 2025 (Unaudited)	562,500,000	-	(9,861,621)	1,951,451	2,832,944	260,554	513,976,755	1,071,660,083

  
Yousef Al Qurashi  
(Designated member)

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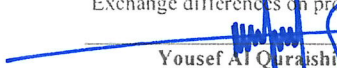
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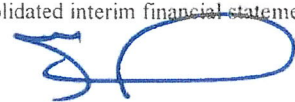
**Electrical Industries Company**  
(A Saudi Joint Stock Company)

**Condensed consolidated statement of cash flows**  
**For the six-month period ended 30 June 2025**  
(All amounts stated in Saudi Riyals unless otherwise stated)

	For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before zakat and income tax	281,812,896	192,991,897
<i>Adjustment for:</i>		
Depreciation and amortization	16,289,572	14,482,105
Provision for expected credit loss allowance	2,660,905	5,223,914
Net realisable value adjustment	503,571	(1,487,497)
Finance cost	6,142,808	18,178,934
Share based payment expense	314,333	435,765
Employees' benefits obligations	7,164,811	6,216,984
Loss on disposal of property, plant and equipment	18,384	705,699
Unrealised foreign exchange gain	(1,628,027)	-
	<b>313,279,253</b>	<b>236,747,801</b>
<i>Changes in:</i>		
Inventories	50,497,581	31,986,610
Trade receivables	(158,089,405)	(129,435,859)
Prepayment and other current assets	(22,718,595)	(6,938,770)
Trade payables	(19,594,237)	(26,057,621)
Advances from customers	34,496,062	89,535,983
Accrued expenses and other current liabilities	74,950,567	111,344,768
<b>Cash generated from operations</b>	<b>272,821,226</b>	<b>307,182,912</b>
Finance cost paid	(6,959,273)	(19,944,397)
Employees' benefits paid	(1,621,816)	(1,906,004)
Zakat and income tax paid	(21,492,039)	(21,016,270)
<b>Net cash generated from operating activities</b>	<b>242,748,098</b>	<b>264,316,241</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(52,905,456)	(20,573,715)
Additions to intangible assets	(1,405,862)	(417,670)
Proceeds from disposal of property, plant and equipment	4,981	1,560,597
<b>Net cash used in investing activities</b>	<b>(54,306,337)</b>	<b>(19,430,788)</b>
<b>Cash flows from financing activities</b>		
Changes in short-term murabaha borrowings	(29,789,756)	(98,666,922)
Payment of lease liabilities	(2,054,564)	(1,594,489)
Payment against share based payments reserve	(282,623)	(1,837,575)
Dividends paid	(140,066,652)	(84,375,000)
<b>Cash used in financing activities</b>	<b>(172,193,595)</b>	<b>(186,473,986)</b>
<b>Net change in cash and cash equivalents</b>	<b>16,248,166</b>	<b>58,411,467</b>
Cash and cash equivalents at beginning of the period	188,914,979	68,308,676
Effect of exchange rate fluctuations on cash and cash equivalents	7,708,702	(490,424)
<b>Cash and cash equivalents at end of the period</b>	<b>212,871,847</b>	<b>126,229,719</b>
<b>Significant non-cash transactions</b>		
Additions to right of use assets and lease liabilities	8,484,544	1,153,282
Exchange differences on lease liabilities	(1,863,366)	(522,306)
Exchange differences on right of use assets	(1,512,651)	(449,717)
Exchange differences on property, plant and equipment	(432,942)	(163,568)

  
Yousef Al Quraishi  
(Designated member)

  
Tariq Al Tahini  
(Managing Director)

  
Medhat A. Ghaleb  
(EVP Finance and IT)

The accompanying notes 1 through 18 form an integral part of these condensed consolidated interim financial statements.



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

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

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**1. CORPORATE INFORMATION**

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

	<b>Effective ownership at</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>
<b><u>Kingdom of Saudi Arabia:</u></b>		
Wahah Electric Supply Company of Saudi Arabia Limited (“WESCOSA”)	<b>100%</b>	100%
Saudi Transformers Company Limited (“STC”)	<b>100%</b>	100%
Saudi Power Transformers Company Limited (“SPTC”)	<b>100%</b>	100%
<b><u>United Arab Emirates:</u></b>		
Gulf Electrical Equipment Company L.L.C. (“GEEC”)	<b>100%</b>	100%
<b><u>Belgium:</u></b>		
Pauwels Transformers NV (“PTNV”) (100% owned by GEEC)	<b>100%</b>	100%

The Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 2050056359 and unified number 7001824759 issued in Dammam on 22 Shaban 1428H (4 September 2007). These condensed consolidated interim financial statements include the operations of the Company and its above-mentioned subsidiaries. The registered address of the Company is P.O. Box 6033, Al Khobar 31442, Kingdom of Saudi Arabia.

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

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on 24 July 2025G (corresponding to 29 Muharram 1447H).

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

**2.1 Statement of compliance**

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

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

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

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

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

**2.2 Basis of preparation**

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

**2.3 Functional and presentation currency**

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

**2.4 Use of judgements and estimates**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Last Annual Consolidated Financial Statements.

**2.5 Material accounting policies**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

A number of amendments to existing standards, as detailed in note 2.6 below, became effective from 1 January 2025 but they do not have a material effect on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2.6 New standards, amendments and interpretations**

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

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

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

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

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

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;

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**(A Saudi Joint Stock Company)**

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

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

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

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

- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026 - Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026;
- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027; and
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

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

**3. PROPERTY, PLANT AND EQUIPMENT**

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

	<b>30 June 2025</b>	30 June 2024
	<b>(Unaudited)</b>	(Unaudited)
Carrying value at the beginning of the period	<b>273,156,644</b>	252,989,939
Additions	<b>52,905,456</b>	20,573,715
Disposals	<b>(23,364)</b>	(2,266,296)
Exchange differences	<b>432,943</b>	(163,568)
Depreciation for the period	<b>(12,527,276)</b>	(10,732,419)
Carrying value at the end of the period	<b>313,944,403</b>	260,401,371

Property, plant and equipment includes the capital work in progress amounting to SR 56.86 million (31 December 2024: SR 16.97 million).

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**4. RIGHT-OF-USE ASSETS**

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

	<b>30 June 2025</b>	30 June 2024
	<b>(Unaudited)</b>	(Unaudited)
Carrying value at the beginning of the period	22,407,591	21,914,657
Additions	8,484,544	1,153,282
Exchange differences	1,512,650	(449,717)
Depreciation for the period	<b>(2,508,245)</b>	(2,151,806)
Carrying value at the end of the period	<b>29,896,540</b>	20,466,416

**5. INVENTORIES**

	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>	(Audited)
Raw materials	358,355,063	341,468,350
Work-in-progress	167,751,111	251,226,097
Finished goods	96,554,223	127,374,979
Goods-in-transit	102,780,349	50,617,018
Spare parts and supplies, not held for sale	9,851,461	9,813,665
	735,292,207	780,500,109
Less: net realisable value adjustment	<b>(24,636,943)</b>	(23,865,985)
	<b>710,655,264</b>	756,634,124

**6. TRADE RECEIVABLES**

	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>	(Audited)
Trade receivables	809,667,399	646,943,541
Less: Impairment loss on trade receivables	<b>(32,412,969)</b>	(29,752,062)
	777,254,430	617,191,479
Due from a related party	15b 1,784,120	1,784,120
	<b>779,038,550</b>	618,975,599

**7. PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>	(Audited)
Advances to suppliers	39,396,468	33,824,973
Value added tax refundable	23,801,036	4,837,449
Advances to employees	12,971,311	14,796,239
Prepaid expenses	6,809,297	6,679,860
Advance income tax	12 -	334,033
Others	540,618	661,614
	<b>83,518,730</b>	61,134,168

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

	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>	(Audited)
Accrued expenses	<b>212,525,589</b>	143,378,214
Warranty provision	<b>11,484,607</b>	8,887,877
Others	<b>9,713,947</b>	6,507,485
	<b><u>233,724,143</u></b>	<u>158,773,576</u>

**9. SHORT TERM BORROWINGS**

*Short-term murabaha borrowings:*

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

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

Basic and diluted earnings per share are calculated as follows:

	<b>For the three-month period ended 30 June</b>		<b>For the six-month period ended 30 June</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to the shareholders of Electrical Industries Company	<b>136,717,080</b>	100,614,073	<b>260,148,012</b>	175,843,715
Weighted average number of ordinary shares for basic earnings per share	<b>1,112,500,000</b>	1,112,500,000	<b>1,112,500,000</b>	1,112,500,000
Weighted average number of ordinary shares deemed to be issued under employee share incentive program	<b>7,130,169</b>	10,649,355	<b>7,130,169</b>	10,649,355
Weighted average number of ordinary shares for the purpose of diluted earnings	<b>1,119,630,169</b>	1,123,149,355	<b>1,119,630,169</b>	1,123,149,355
Basic earnings per share	<b>0.12</b>	0.09	<b>0.23</b>	0.16
Diluted earnings per share	<b>0.12</b>	0.09	<b>0.23</b>	0.16

Weighted average number of ordinary shares outstanding as at 30 June 2025 and 2024 are adjusted by weighted average number of treasury shares bought back by the Company for the purpose of issuing shares under the employee share incentive program.

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**11. CONTINGENCIES AND COMMITMENTS**

	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>	(Audited)
<i><b>Contingencies</b></i>		
Bank guarantees	<b>735,145,954</b>	630,783,957
Letters of credit	<b>403,221,298</b>	178,070,603
<i><b>Commitments</b></i>		
Capital expenditure	<b>119,812,146</b>	103,297,248

**12. ZAKAT AND INCOME TAX LIABILITIES**

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

	<b>30 June 2025</b>	31 December 2024	30 June 2024
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Balance at the beginning of the period / year	<b>23,632,747</b>	26,666,950	26,699,223
Charge for the period / year	<b>23,652,916</b>	25,036,491	17,148,182
Charge related to prior year	<b>(1,988,032)</b>	(4,556,796)	-
	<b>21,664,884</b>	20,479,695	17,148,182
Effect of movements in exchange rates	<b>(234,390)</b>	14,223	(6,790)
Payments / adjustments during the period /year	<b>(21,826,072)</b>	(23,862,154)	(21,016,270)
Advance income tax re-classified to prepayments and other current assets	-	334,033	-
Balance at the end of the period / year	<b>23,237,169</b>	23,632,747	22,824,345

The Group has obtained zakat certificates from Zakat, Tax and Customs Authority ("ZATCA") for the years through 2024. ZATCA has finalized the Group's zakat assessments for the years through 2023.

**13. FAIR VALUE MEASUREMENT**

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

*Fair values hierarchy*

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

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

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

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



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

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no such transfers during the periods ended 30 June 2025 and 30 June 2024 respectively.

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

<b>Financial Assets at FVOCI</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2025 (Unaudited)</b>				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	334,250	-	-	334,250
<b>Total as at 30 June 2025 (Unaudited)</b>	<b>334,250</b>	<b>-</b>	<b>21,550,000</b>	<b>21,884,250</b>
<b>31 December 2024 (Audited)</b>				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	528,242	-	-	528,242
<b>Total as at 31 December 2024 (Audited)</b>	<b>528,242</b>	<b>-</b>	<b>21,550,000</b>	<b>22,078,242</b>

As on 30 June 2025, the Group has investment of SR 21.55 million (31 December 2024: SR 21.55 million) in a non-listed company which is classified as level 3. This represents the cost of investment which approximates to its fair value as on 30 June 2025 and 31 December 2024.

Further, the Group has invested in the shares of a listed company, which have been valued using Level 1 fair value hierarchy. Therefore, the fair value is calculated with reference to the quoted price as on 30 June 2025 and 31 December 2024. The Group has recorded fair value loss of SR 193,992 in other comprehensive income during the six-month period ended 30 June 2025 (six-month period ended 30 June 2024: fair value gain of SR 125,020).

As at 30 June 2025 and 31 December 2024, the fair values of the Group's financial instruments, other than those mentioned above, are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of condensed consolidated statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry rates which are based on prevailing market interest rates.

**14. SEGMENT INFORMATION**

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

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

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

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

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**14. SEGMENT INFORMATION (Continued)**

**(a) Information about reportable segments**

Selected financial information as of 30 June 2025 and 31 December 2024 and for the three and six-month periods ended 30 June 2025 and 2024, summarized by the above operating segments, is as follows:

<b>For the three-month period ended 30 June 2025 (Unaudited)</b>	<b>Manufacturing, assembly &amp; supply</b>	<b>Services</b>	<b>Total</b>
Revenue from external customers	512,416,995	18,940,613	531,357,608
Cost of revenue	(326,884,156)	(8,737,775)	(335,621,931)
Selling and distribution expenses	(14,545,389)	(375,735)	(14,921,124)
General and administrative expenses	(25,186,091)	(1,226,763)	(26,412,854)
Depreciation of property, plant and equipment	(5,551,540)	(705,465)	(6,257,005)
Other operating income	1,902,651	15,068	1,917,719
<b>Segment results</b>	<b>142,152,470</b>	<b>7,909,943</b>	<b>150,062,413</b>
<b>For the six-month period ended 30 June 2025 (Unaudited)</b>	<b>Manufacturing, assembly &amp; supply</b>	<b>Services</b>	<b>Total</b>
Revenue from external customers	990,284,889	47,758,544	1,038,043,433
Cost of revenue	(634,049,364)	(18,503,393)	(652,552,757)
Selling and distribution expenses	(30,555,732)	(2,310,632)	(32,866,364)
General and administrative expenses	(49,065,447)	(2,479,723)	(51,545,170)
Depreciation of property, plant and equipment	(11,161,483)	(1,365,793)	(12,527,276)
Other operating income	2,047,095	17,648	2,064,743
<b>Segment results</b>	<b>267,499,958</b>	<b>23,116,651</b>	<b>290,616,609</b>
<b>As at 30 June 2025 (Unaudited)</b>			
Segment assets	1,698,251,580	105,386,637	1,803,638,217
Segment liabilities	130,570,070	1,881,903	132,451,973
<b>For the three-month period ended 30 June 2024 (Unaudited)</b>	<b>Manufacturing, assembly &amp; supply</b>	<b>Services</b>	<b>Total</b>
Revenue from external customers	481,973,480	12,915,000	494,888,480
Cost of revenue	(315,809,549)	(6,380,379)	(322,189,928)
Selling and distribution expenses	(12,588,630)	(1,333,062)	(13,921,692)
General and administrative expenses	(39,636,068)	(751,483)	(40,387,551)
Depreciation of property, plant and equipment	(4,890,755)	(479,703)	(5,370,458)
Other operating income	32,358	-	32,358
<b>Segment results</b>	<b>109,080,836</b>	<b>3,970,373</b>	<b>113,051,209</b>

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**14. SEGMENT INFORMATION (Continued)**

**(a) Information about reportable segments (Continued)**

For the six-month period ended 30 June 2024 (Unaudited)	Manufacturing, assembly & supply	Services	Total
Revenue from external customers	1,011,490,351	25,486,744	1,036,977,095
Cost of revenue	(697,969,180)	(11,324,740)	(709,293,920)
Selling and distribution expenses	(33,019,859)	(3,276,855)	(36,296,714)
General and administrative expenses	(61,820,587)	(1,554,199)	(63,374,786)
Depreciation of property, plant and equipment	(9,876,522)	(855,897)	(10,732,419)
Other operating expenses	(884,511)	-	(884,511)
Segment results	207,919,692	8,475,053	216,394,745
As at 31 December 2024 (Audited)			
Segment assets	1,530,237,774	118,528,590	1,648,766,367
Segment liabilities	139,429,577	2,794,368	142,223,945

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

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

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

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

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

	<b>For the six-month period ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Segments results	290,616,609	216,394,745
Finance cost	(6,142,808)	(18,178,934)
Provision of expected credit loss allowance	(2,660,905)	(5,223,914)
<b>Profit before zakat and income tax</b>	<b>281,812,896</b>	<b>192,991,897</b>

As at 30 June 2025, segment assets did not include unallocated assets amounting to SR 356 million (31 December 2024: SR 302 million).

As at 30 June 2025, segment liabilities did not include unallocated liabilities amounting to SR 956 million (31 December 2024: SR 863 million).

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**14. SEGMENT INFORMATION (Continued)**

**(c) Geographic information**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Kingdom of Saudi Arabia	<b>927,656,379</b>	889,837,383
Other countries	<b>110,387,054</b>	147,139,712
	<b>1,038,043,433</b>	<b>1,036,977,095</b>

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Kingdom of Saudi Arabia	<b>335,503,453</b>	287,225,556
Belgium	<b>16,181,906</b>	16,025,466
	<b>351,685,359</b>	<b>303,251,022</b>

**15. RELATED PARTY TRANSACTIONS AND BALANCES**

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

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

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

	<b>For the three-month period ended 30 June</b>		<b>For the six-month period ended 30 June</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>Evolving Constellation Company for Energy ("EVOSTEL")</b>				
Sales	-	35,000	<b>35,000</b>	35,000
Purchases from a related party	<b>277,905</b>	-	<b>277,905</b>	-
Costs and expenses charged by a related party	-	-	<b>44,088</b>	44,088

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

*b) Balances with related parties:*

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Due from a related party</b>	<b>1,784,120</b>	<b>1,784,120</b>
Al Toukhi Company for Industrial Trading and Contracting	<b>1,784,120</b>	<b>1,784,120</b>

*c) Key management personnel compensation:*

	<b>For the three-month period ended 30 June</b>		<b>For the six-month period ended 30 June</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>
Salaries and other short-term employee benefits	<b>5,489,062</b>	3,618,512	<b>10,954,851</b>	7,672,328
Employees' end of service benefits	<b>197,952</b>	175,465	<b>395,904</b>	350,931
Share based payment expense	<b>10,726</b>	10,727	<b>21,452</b>	43,209
Board of directors' fees	<b>768,142</b>	567,000	<b>1,799,017</b>	1,327,500
	<b>6,465,882</b>	4,371,704	<b>13,171,224</b>	9,393,968

Advances to employees includes advances to a key management personnel amounting to SR 1 million as of 30 June 2025 (31 December 2024: SR 2 million).

**16. DIVIDENDS**

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

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

**17. COMPARATIVES FIGURES**

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

**18. SUBSEQUENT EVENTS**

Subsequent to the period ended 30 June 2025, "Administrative Court of Appeal" issued a ruling on 12 Muharram 1447 corresponding to 07 July 2025 in favour of the Company's two subsidiaries to cancel the decisions of the "Committee for Adjudication of Competition Law Violations" which were made in 2024. The ruling issued by Administrative Court of Appeal upheld ruling issued by the Administrative Court in Riyadh in January 2025 and is final, subject to oversight by the Supreme Administrative Court. Based on the management assessment and the legal view, the Competition Commission has a right to appeal the ruling within Statutory period, which may result in reversal of decision of Administrative Court of Appeal; accordingly, the Company decided not to reverse penalty of SAR 26.1 million, which was expensed in 2024.

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