ELECTRICAL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

Electrical Industries Company
(A Saudi Joint Stock Company)

Condensed consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2026
(All amounts stated in ⃁ unless otherwise stated)

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Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
الطابق ١٦، برج البرغش
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 2026 condensed consolidated interim financial statements of Electrical Industries Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

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

Scope of Review

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed consolidated interim financial statements of Electrical Industries Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company

Abdullah Oudah Althagafi
License No: 455

Al Khobar, 27 July, 2026G.
Corresponding to: 13 Safar, 1448H.

Electrical Industries Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of financial position
As at 30 June 2026
(All amounts stated in ⃁ unless otherwise stated)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	**500,592,832**	434,603,710
Right of use assets	4	**19,629,851**	17,000,166
Intangible assets		**4,703,247**	6,074,536
Financial assets at fair value through other comprehensive income	13	**21,817,526**	21,800,702
Total non-current assets		**546,743,456**	479,479,114
Current assets			
Inventories	5	**873,419,477**	873,408,869
Trade receivables	6	**914,844,083**	835,235,350
Prepayments and other current assets	7	**66,894,084**	56,921,371
Cash and cash equivalents		**143,212,164**	350,381,125
Total current assets		**1,998,369,808**	2,115,946,715
Total assets		**2,545,113,264**	2,595,425,829
EQUITY AND LIABILITIES			
Equity			
Share capital		**562,500,000**	562,500,000
Treasury shares		**(9,207,830)**	(9,861,621)
Foreign currency translation reserve		**681,786**	2,865,827
Share based payment reserve		**2,985,674**	4,565,657
Fair value reserve		**181,021**	164,197
Retained earnings		**723,361,739**	737,770,961
Total equity		**1,280,502,390**	1,298,005,021
Liabilities			
Non-current liabilities			
Lease liabilities		**15,626,071**	14,277,087
Employees' benefits		**139,587,024**	133,998,449
Long term provision		**12,125,454**	12,262,358
Total non-current liabilities		**167,338,549**	160,537,894
Current liabilities			
Short-term murabaha borrowings	9	**122,724,285**	15,094,547
Trade payables		**147,372,717**	196,900,840
Advances from customers		**581,526,284**	662,277,100
Accrued expenses and other current liabilities	8	**224,104,387**	226,805,151
Current portion of lease liabilities		**3,678,327**	2,704,676
Zakat and income tax liabilities	12	**17,866,325**	33,100,600
Total current liabilities		**1,097,272,325**	1,136,882,914
Total liabilities		**1,264,610,874**	1,297,420,808
Total equity and liabilities		**2,545,113,264**	2,595,425,829

Yousef Al Quraishi	**Tariq Al Tahini**	**Medhat A. Ghaleb**
(Designated member)	(Managing Director)	(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-month and six-month periods ended 30 June 2026
(All amounts stated in ⃁ unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026	2025	**2026**	2025
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	14	**708,570,009**	531,357,608	**1,370,004,882**	1,038,043,433
Cost of revenue		**(440,844,831)**	(340,112,302)	**(852,412,148)**	(661,204,393)
Gross profit		**267,725,178**	191,245,306	**517,592,734**	376,839,040
Selling and distribution expenses		**(21,807,029)**	(17,290,733)	**(42,118,364)**	(35,582,607)
General and administrative expenses		**(27,297,801)**	(25,809,879)	**(52,919,656)**	(52,704,567)
Impairment loss on trade receivables		**(1,176,214)**	-	**(2,106,602)**	(2,660,905)
Other operating income		**543,311**	1,917,719	**1,101,922**	2,080,006
Other expenses		**-**	-	**(892,100)**	(15,263)
Operating profit		**217,987,445**	150,062,413	**420,657,934**	287,955,704
Finance income		**274,166**	-	**2,245,865**	-
Finance cost		**(4,861,928)**	(2,825,149)	**(8,112,880)**	(6,142,808)
Profit before zakat and income tax		**213,399,683**	147,237,264	**414,790,919**	281,812,896
Zakat and income tax expense	12	**(1,867,098)**	(10,520,184)	**(12,487,987)**	(21,664,884)
Profit for the period		**211,532,585**	136,717,080	**402,302,932**	260,148,012
Other comprehensive income / (loss)					
Items that may be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:					
Foreign operations – foreign currency translation differences		**(334,900)**	4,271,924	**(2,184,041)**	6,237,589
Items that will not be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:					
Equity investments at FVOCI – net change in fair value		**28,408**	(117,401)	**16,824**	(193,992)
Other comprehensive income / (loss) for the period		**(306,492)**	4,154,523	**(2,167,217)**	6,043,597
Total comprehensive income for the period		**211,226,093**	140,871,603	**400,135,715**	266,191,609
Earnings per share (Saudi Riyals)					
Basic	10	**0.19**	0.12	**0.36**	0.23
Diluted	10	**0.19**	0.12	**0.36**	0.23

Yousef Al Quraishi	**Tariq Al Tahini**	**Medhat A. Ghaleb**
(Designated member)	(Managing Director)	(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 changes in equity
For the six-month period ended 30 June 2026
(All amounts stated in ⃁ unless otherwise stated)

	Share capital	Treasury shares	Share based payment reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
As at 1 January 2025 (Audited)	562,500,000	(9,861,621)	1,919,741	(3,404,645)	454,546	394,453,743	946,061,764
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	260,148,012	260,148,012
Other comprehensive income for the period	-	-	-	6,237,589	(193,992)	-	6,043,597
Total comprehensive income for the period	-	-	-	6,237,589	(193,992)	260,148,012	266,191,609
Share based compensation	-	-	314,333	-	-	-	314,333
Utilization of share-based payment reserve	-	-	(282,623)	-	-	-	(282,623)
	-	-	31,710	-	-	-	31,710
Dividends (note 16)	-	-	-	-	-	(140,625,000)	(140,625,000)
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
As at 1 January 2026 (Audited)	**562,500,000**	**(9,861,621)**	**4,565,657**	**2,865,827**	**164,197**	**737,770,961**	**1,298,005,021**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	**402,302,932**	**402,302,932**
Other comprehensive loss for the period	-	-	-	**(2,184,041)**	**16,824**	-	**(2,167,217)**
Total comprehensive income for the period	-	-	-	**(2,184,041)**	**16,824**	**402,302,932**	**400,135,715**
Share based compensation	-	-	**5,668,091**	-	-	-	**5,668,091**
Share based payments	-	-	**(6,581,940)**	-	-	-	**(6,581,940)**
Exercise of employee's stocks	-	**653,791**	**(666,134)**	-	-	**475,346**	**463,003**
	-	**653,791**	**(1,579,983)**	-	-	**475,346**	**(450,846)**
Dividends (note 16)	-	-	-	-	-	**(417,187,500)**	**(417,187,500)**
As at 30 June 2026 (Unaudited)	**562,500,000**	**(9,207,830)**	**2,985,674**	**681,786**	**181,021**	**723,361,739**	**1,280,502,390**

Yousef Al Quraishi
(Designated member)

Tariq Al Tahini
(Managing Director)

Medhat A. Ghaleb
(EVP Finance and IT)

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

Electrical Industries Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of cash flows

For the six-month period ended 30 June 2026
(All amounts stated in ⃁ unless otherwise stated)

	For the six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before zakat and income tax	**414,790,919**	281,812,896
Adjustments for:		
Depreciation and amortization	**17,700,237**	16,289,572
Impairment loss on trade receivables	**2,106,602**	2,660,905
Net realizable value adjustment	**690,195**	503,571
Finance cost	**8,112,880**	6,142,808
Share based compensation	**5,668,091**	314,333
Employees' benefits obligations	**7,909,685**	7,164,811
(Gain) / loss on disposal of property, plant and equipment	**(22,220)**	18,384
Unrealised foreign exchange loss / (gain)	**883,885**	(1,628,027)
	457,840,274	313,279,253
Changes in:		
Inventories	**(2,202,803)**	50,497,581
Trade receivables	**(83,394,779)**	(158,089,405)
Prepayment and other current assets	**(10,443,402)**	(22,718,595)
Trade payables	**(46,204,045)**	(19,594,237)
Advances from customers	**(80,750,816)**	34,496,062
Accrued expenses and other current liabilities	**(2,237,761)**	74,950,567
Cash generated from operations	**232,606,668**	272,821,226
Finance cost paid	**(7,764,069)**	(6,959,273)
Employees' benefits paid	**(2,321,110)**	(1,621,816)
Zakat and income tax paid	**(27,275,090)**	(21,492,039)
Net cash generated from operating activities	**195,246,399**	242,748,098
Cash flows from investing activities		
Additions to property, plant and equipment	**(85,510,020)**	(52,905,456)
Additions to intangible assets	**-**	(1,405,862)
Proceeds from disposal of property, plant and equipment	**2,294,898**	4,981
Net cash used in investing activities	**(83,215,122)**	(54,306,337)
Cash flows from financing activities		
Net changes in short-term murabaha borrowings	**107,191,056**	(29,789,756)
Payment of lease liabilities	**(2,168,434)**	(2,054,564)
Payment against share based payments reserve	**(6,581,940)**	(282,623)
Dividends paid	**(417,187,500)**	(140,066,652)
Net cash used in financing activities	**(318,746,818)**	(172,193,595)
Net change in cash and cash equivalents	**(206,715,541)**	16,248,166
Cash and cash equivalents at beginning of the period	**350,381,125**	188,914,979
Effect of exchange rate fluctuations on cash and cash equivalents	**(453,420)**	7,708,702
Cash and cash equivalents at end of the period	**143,212,164**	212,871,847
Significant non-cash transactions		
Additions to right of use assets and lease liabilities	**4,534,507**	8,484,544
Exchange differences on lease liabilities	**(43,437)**	(1,863,366)
Exchange differences on right of use assets	**43,144**	(1,512,651)
Exchange differences on property, plant and equipment	**2,780,728**	(432,942)
Exercise of employee's stocks	**463,003**	-

Yousef Al Qurashi	**Tariq Al Tahini**	**Medhat A. Ghaleb**
(Designated member)	(Managing Director)	(EVP Finance and IT)

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

1. CORPORATE INFORMATION

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

	Effective ownership at	
	30 June 2026	31 December 2025
Kingdom of Saudi Arabia:		
Wahah Electric Supply Company of Saudi Arabia Limited ("WESCOSA")	**100%**	100%
Saudi Transformers Company Limited ("STC")	**100%**	100%
Saudi Power Transformers Company Limited ("SPTC")	**100%**	100%
United Arab Emirates:		
Gulf Electrical Equipment Company L.L.C. ("GEEC")	**100%**	100%
Belgium:		
Pauwels Transformers NV ("PTNV") (100% owned by GEEC)	**100%**	100%

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

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

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on 23 July 2026G (corresponding to 9 Safar 1448H).

Geopolitical developments

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Group's operations are conducted within GCC region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's condensed consolidated interim financial statements for the period ended 30 June 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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 ("⃁") which is the functional and presentation currency of the Group.

2.4 Use of judgements and estimates

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

2.5 Material accounting policies

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

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

2.6 New standards, amendments and interpretations

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

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

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026 - Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026;

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

2.6 New standards, amendments and interpretations (Continued)

b) New and revised standards issued but not yet effective

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

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

The above-mentioned standards except IFRS 18 are not expected to have a significant impact on the condensed consolidated interim financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these condensed consolidated interim financial statements; however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements. The assessment remains ongoing and will be updated as the Group completes its implementation project, including the finalisation of accounting policies, presentation decisions and any required system or process changes necessary for the application of IFRS 18.

Based on the Group's current assessment, the expected impacts of the initial application of IFRS 18 are as follows:

i) Structure of the Consolidated Statement of Profit or Loss:

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss, namely operating, investing, financing, zakat and income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and zakat and income taxes'. However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the consolidated statement of profit or loss to result from the following.

- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented below the 'operating profit' subtotal. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories. Accordingly, interest income from cash and cash equivalents which is currently presented as 'finance income' will be classified in the investing category and the 'finance costs' will be classified in the financing category.
- Interest cost on employee benefit obligations, which is currently presented within employee costs, will be classified and presented within finance costs.
- Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

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)

ii) Management-defined performance measures:

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period as MPMs relate to the same reporting period as the financial statements.

iii) Principles of aggregation and disaggregation:

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' such as other income and other expenses and expects to use more informative descriptions or provide additional disaggregated information in the notes where material.

iv) Consequential amendments:

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group is assessing the impact of the consequential amendments to IAS 7, including the presentation of interest and dividend cash flows. Based on the Group's current assessment, cash flows from interest paid are expected to be classified as financing activities rather than operating activities. Cash flows from interest received and dividends paid are expected to continue to be classified as investing activities and financing activities, respectively.

Overall, the Group continues to assess the impact of IFRS 18 on the presentation and disclosure of its consolidated financial statements, including the effects on internal reporting processes, financial reporting systems and related controls. The final impact of adopting IFRS 18 may differ from the preliminary assessment described above as the Group completes its implementation activities before the mandatory effective date.

3. PROPERTY, PLANT AND EQUIPMENT

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

	2026	2025
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	**434,603,710**	273,156,644
Additions	**85,510,020**	52,905,456
Disposals	**(2,272,678)**	(23,364)
Exchange differences	**(2,780,728)**	432,943
Depreciation for the period	**(14,467,492)**	(12,527,276)
Carrying value at the end of the period	**500,592,832**	313,944,403

Property, plant and equipment includes capital work in progress amounting to ⃁ 121.9 million (31 December 2025: ⃁ 69.5 million).

4. RIGHT OF USE ASSETS

The movement of right of use assets is as follows:

	2026	2025
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	**17,000,166**	22,407,591
Additions	**4,534,507**	8,484,544
Exchange differences	**(43,145)**	1,512,650
Depreciation for the period	**(1,861,677)**	(2,508,245)
Carrying value at the end of the period	**19,629,851**	29,896,540

5. INVENTORIES

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Raw materials	**466,399,694**	426,949,614
Work-in-progress	**194,013,466**	257,434,749
Goods-in-transit	**124,809,179**	71,773,635
Finished goods	**105,000,075**	133,323,485
Spare parts and supplies, not held for sale	**10,860,912**	10,986,923
	901,083,326	900,468,406
Less: net realisable value adjustment	**(27,663,849)**	(27,059,537)
	873,419,477	873,408,869

6. TRADE RECEIVABLES

	Note	**30 June 2026**	31 December 2025
		(Unaudited)	(Audited)
Trade receivables		**944,928,652**	853,586,527
Unbilled receivables		**-**	9,626,789
		944,928,652	863,213,316
Less: Impairment loss on trade receivables		**(31,064,569)**	(28,957,966)
		913,864,083	834,255,350
Due from a related party	15b	**980,000**	980,000
		914,844,083	835,235,350

7. PREPAYMENTS AND OTHER CURRENT ASSETS

		30 June 2026 (Unaudited)	31 December 2025 (Audited)
Advances to suppliers		**35,374,587**	27,316,712
Advances to employees		**14,334,804**	15,056,226
Value added tax refundable		**6,458,841**	10,287,783
Prepaid expenses		**10,171,507**	2,963,993
Advance income tax	12	**-**	470,689
Others		**554,345**	825,968
		66,894,084	56,921,371

8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Goods received, not invoiced	**100,678,214**	70,720,547
Accrued expenses	**99,038,251**	134,142,040
Warranty provision	**14,110,463**	12,526,359
Others	**10,277,459**	9,416,205
	224,104,387	226,805,151

9. SHORT TERM BORROWINGS

Short-term murabaha borrowings:

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

10. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Profit attributable to the shareholders of Electrical Industries Company	**211,532,585**	136,717,080	**402,302,932**	260,148,012
Weighted average number of ordinary shares for basic earnings per share	**1,112,500,000**	1,112,500,000	**1,112,500,000**	1,112,500,000
Weighted average number of ordinary shares deemed to be issued under employee share incentive program	**9,176,020**	7,130,169	**9,176,020**	7,130,169
Weighted average number of ordinary shares for the purpose of diluted earnings	**1,121,676,020**	1,119,630,169	**1,121,676,020**	1,119,630,169
Basic earnings per share	**0.19**	0.12	**0.36**	0.23
Diluted earnings per share	**0.19**	0.12	**0.36**	0.23

Weighted average number of ordinary shares outstanding as at 30 June 2026 and 2025 are adjusted by weighted average number of treasury shares bought back by the Company for the purpose of issuing shares under the employee share incentive program.

11. CONTINGENCIES AND COMMITMENTS

	30 June 2026	31 December 2025
Contingencies	**(Unaudited)**	(Audited)
Bank guarantees	**789,564,846**	771,247,208
Letters of credit	**223,774,725**	401,659,164
Commitments		
Capital expenditure	**121,757,525**	120,441,313

11.1. During 2024, the Group paid and expensed an amount of ⃁ 26.1 million in respect of a penalty imposed by the General Authority for Competition (the "Authority"). Although the Group obtained favourable judgments from both the Administrative Court and the Administrative Court of Appeal, the Authority subsequently filed an appeal with the Supreme Administrative Court. Subsequent to the reporting period, on 14 July 2026, the Group received full reimbursement of the penalty from the Authority. As the final outcome of the matter was pending and no communication was received until 30 June 2026, the Group has not reversed the previously recognized penalty in these condensed consolidated financial statements.

12. ZAKAT AND INCOME TAX LIABILITIES

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

	30 June 2026	31 December 2025	30 June 2025
	(Unaudited)	(Audited)	(Unaudited)
Balance at the beginning of the period / year	**32,629,911**	23,298,715	23,298,714
Charge for the period / year	**12,487,987**	36,204,547	23,652,916
Reversal related to prior periods / years	**-**	(1,969,825)	(1,988,032)
	12,487,987	34,234,722	21,664,884
Effect of movements in exchange rates	**23,517**	(47,700)	(234,390)
Payments during the period / year	**(27,275,090)**	(24,855,826)	(21,492,039)
Advance income tax re-classified to prepayments and other current assets	**-**	470,689	-
Balance at the end of the period / year	**17,866,325**	33,100,600	23,237,169

The Group has obtained zakat certificates from Zakat, Tax and Customs Authority (“ZATCA”) for the years through 2025. ZATCA has finalized the Group’s zakat assessments for the years through 2024.

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

13. FAIR VALUE MEASUREMENT

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

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

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

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

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

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 2026 and 2025 respectively.

The table below presents the financial assets at their fair values as at 30 June 2026 and 31 December 2025 based on the fair value hierarchy:

Financial Assets at FVOCI	Level 1	Level 2	Level 3	Total
30 June 2026				
Non-listed equity investments	**-**	**-**	**21,550,000**	**21,550,000**
Listed equity investments	**267,526**	**-**	**-**	**267,526**
Total as at 30 June 2026 (Unaudited)	**267,526**	**-**	**21,550,000**	**21,817,526**
31 December 2025				
Non-listed equity investments	-	-	21,550,000	21,550,000
Listed equity investments	250,702	-	-	250,702
Total as at 31 December 2025 (Audited)	250,702	-	21,550,000	21,800,702

As on 30 June 2026, the Group has investment of ⃁ 21.55 million (31 December 2025: ⃁ 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 2026 and 31 December 2025.

Further, the Group has invested in the shares of a listed company, which have been valued using Level 1 fair value hierarchy. Therefore, the fair value is calculated with reference to the quoted price as on 30 June 2026 and 31 December 2025. The Group has recorded fair value gain of ⃁ 16,824 in other comprehensive income during the six- month period ended 30 June 2026 (six-month period ended 30 June 2025: ⃁ 193,992 fair value loss).

As at 30 June 2026 and 31 December 2025, the fair values of the Group's financial instruments, other than those mentioned above, are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of condensed consolidated statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

14. SEGMENT INFORMATION

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

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

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

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

14. SEGMENT INFORMATION (Continued)

(a) Information about reportable segments

Selected financial information as of 30 June 2026 and 31 December 2025 and for the three-month and six-month periods ended 30 June 2026 and 2025, summarized by the above operating segments, is as follows:

For the three-month period ended 30 June 2026 (Unaudited)	**Manufacturing, assembly & supply**	**Services**	**Total**
Revenue from external customers	**677,707,803**	**30,862,206**	**708,570,009**
Cost of revenue	**(421,865,756)**	**(13,204,607)**	**(435,070,363)**
Selling and distribution expenses	**(19,489,257)**	**(1,831,323)**	**(21,320,580)**
General and administrative expenses	**(24,867,290)**	**(1,551,535)**	**(26,418,825)**
Depreciation of property, plant and equipment	**(6,361,585)**	**(778,308)**	**(7,139,893)**
Other operating income	**487,603**	**55,708**	**543,311**
Segment results	**205,611,518**	**13,552,141**	**219,163,659**

For the six-month period ended 30 June 2026 (Unaudited)	**Manufacturing, assembly & supply**	**Services**	**Total**
Revenue from external customers	**1,318,414,072**	**51,590,810**	**1,370,004,882**
Cost of revenue	**(816,044,490)**	**(24,209,233)**	**(840,253,723)**
Selling and distribution expenses	**(38,110,144)**	**(3,103,031)**	**(41,213,175)**
General and administrative expenses	**(48,580,280)**	**(2,935,498)**	**(51,515,778)**
Depreciation of property, plant and equipment	**(12,986,862)**	**(1,480,630)**	**(14,467,492)**
Other operating income	**1,018,753**	**83,169**	**1,101,922**
Other expenses	**(892,100)**	**-**	**(892,100)**
Segment results	**402,818,949**	**19,945,587**	**422,764,536**
As at 30 June 2026 (Unaudited)			
Segment assets	**2,193,007,615**	**95,848,777**	**2,288,856,392**
Segment liabilities	**145,831,658**	**1,541,059**	**147,372,717**

For the three-month period ended 30 June 2025 (Unaudited)	Manufacturing, assembly & supply	Services	Total
Revenue from external customers	512,416,995	18,940,613	531,357,608
Cost of revenue	(326,884,156)	(8,737,775)	(336,621,931)
Selling and distribution expenses	(14,545,389)	(375,735)	(14,921,124)
General and administrative expenses	(25,186,091)	(1,226,763)	(25,412,854)
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
Segment results	142,152,470	7,909,943	150,062,413

14. SEGMENT INFORMATION (Continued)

(a) Information about reportable segments (continued)

For the six-month period ended 30 June 2025 (Unaudited)	Manufacturing, assembly & supply	Services	Total
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	2,062,358	17,648	2,080,006
Other expenses	(15,263)	-	(15,263)
Segment results	267,499,958	23,116,651	290,616,609
As at 31 December 2025 (Audited)			
Segment assets	2,028,548,018	114,699,911	2,143,247,929
Segment liabilities	194,724,743	2,176,097	196,900,840

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

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

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

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

Reconciliation of profit before zakat and income tax	**For the six-month period ended 30 June**	
	2026	2025
	(Unaudited)	(Unaudited)
Segments results	**422,764,536**	290,616,609
Finance income	**2,245,865**	-
Finance cost	**(8,112,880)**	(6,142,808)
Impairment loss on trade receivables	**(2,106,602)**	(2,660,905)
Profit before zakat and income tax	**414,790,919**	281,812,896

As at 30 June 2026, segment assets did not include unallocated assets amounting to ⃁ 256 million (31 December 2025: ⃁ 452 million).

As at 30 June 2026, segment liabilities did not include unallocated liabilities amounting to ⃁ 1,117 million (31 December 2025: ⃁ 1,101 million).

14. SEGMENT INFORMATION (Continued)

(c) Geographic information

The revenue for the six-month periods ended 30 June 2026 and 2025, categorized by the geographical segments is as follows:

	For the six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Kingdom of Saudi Arabia	**1,234,601,764**	927,656,379
Other countries	**135,403,118**	110,387,054
	1,370,004,882	1,038,043,433

The non-current operating assets of the Group as at 30 June 2026 and 31 December 2025 are categorized by the geographical segments as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Kingdom of Saudi Arabia	**429,217,184**	358,026,629
Belgium	**95,708,746**	99,651,783
	524,925,930	457,678,412

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

15. RELATED PARTY TRANSACTIONS AND BALANCES

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

Name of related party	Nature of relationship
Ajda Industrial Services Company ("AIS")	Major Shareholder
Al Toukhi Company for Industrial Trading and Contracting	Other related party
Evolving Constellation Company for Energy ("EVOSTEL")	Subsidiary of major shareholder

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Evolving Constellation Company for Energy ("EVOSTEL")				
Sales	**-**	-	**-**	35,000
Purchases from a related party	**229,611**	277,905	**312,843**	277,905
Costs and expenses charged by a related party	**-**	-	**-**	44,088

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

b) Balances with related parties:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Due from a related party		
Al Toukhi Company for Industrial Trading and Contracting	**980,000**	980,000
	980,000	980,000

c) Key management personnel compensation:

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Salaries and other short-term employee benefits	**6,811,114**	5,489,062	**13,619,164**	10,954,851
Employees' end of service benefits	**199,661**	197,952	**399,322**	395,904
Share based payment expense	**21,360**	10,726	**42,720**	21,452
Board of directors' fees	**1,069,125**	768,142	**2,133,750**	1,799,017
	8,101,260	6,465,882	**16,194,956**	13,171,224

Advances to employees includes advances to key management personnel amounting to ⃁ 2.2 million as of 30 June 2026 (31 December 2025: ⃁ 2.5 million).

16. DIVIDENDS

The Company's Board of Directors, authorized by the shareholders, has resolved in their meetings held on 2 March 2026 to distribute cash dividends for the second half of the year 2025 amounting to ⃁ 139.062 million (at ⃁ 0.125 per share). The dividends were paid to the shareholders on 29 March 2026.

The Company's Board of Directors recommended in its meeting held on 2 March 2026 to distribute additional cash dividends for the year 2025 amounting to ⃁ 278.125 million (at ⃁ 0.25 per share). The recommendation to distribute additional cash dividends was approved by the General Assembly held on 29 April 2026. The dividends were paid to the shareholders on 17 May 2026.

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

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period presentation of the condensed consolidated interim financial statements.

18. SUBSEQUENT EVENTS

Except as disclosed elsewehere in these condensed consolidated interim financial statements, there are no other significant subsequent events occurred between 30 June 2026 and the date of approval of these condensed consolidated interim financial statements which may have material impact on these condensed consolidated interim financial statements.