

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTH AND NINE MONTH PERIODS
ENDED SEPTEMBER 30, 2025**



الشركة السعودية للكهرباء
Saudi Electricity Company
Diligently Serving You

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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

To the Shareholders of
Saudi Electricity Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Electricity Company ("the Company") and its subsidiaries (collectively "the Group") as at September 30, 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income for three month and nine month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine months period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Deloitte and Touche & Co.
Chartered Accountants


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



Jumada Al-Awwal 20, 1447 H
November 11, 2025

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025
(All amounts in thousands ₪ unless otherwise stated)

		September 30, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net	9	560,834,006	503,049,006
Intangible assets, net		312,199	209,414
Right-of-use assets, net		563,914	577,429
Investment properties		460,840	461,960
Equity accounted investees		4,687,365	4,786,884
Financial assets at amortized cost		20,865	18,133
Financial assets through other comprehensive income	6.1	230,119	230,119
Derivative financial instruments	13.3	83,213	202,377
Loans and advances – Non-current		954,663	954,663
Total non-current assets		568,147,184	510,489,985
Current assets			
Inventories, net	10	1,519,389	1,113,403
Accounts receivable, net	11	32,313,301	22,597,679
Loans and advances – Current		11,970,121	7,906,473
Contract assets		769,549	347,934
Prepayments and other receivables, net		3,721,902	2,927,282
Cash and cash equivalents		1,011,598	1,631,656
Total current assets		51,305,860	36,524,427
TOTAL ASSETS		619,453,044	547,014,412
EQUITY AND LIABILITIES			
Equity			
Share capital	1	41,665,938	41,665,938
Other reserves		(597,749)	(118,964)
Contractual reserve - Mudaraba instrument	12	3,303,131	984,901
Retained earnings		42,914,068	40,919,268
Total equity before Mudaraba instrument (1)		87,285,388	83,451,143
Mudaraba instrument		163,636,000	159,169,000
Fair value adjustment of Mudaraba instrument		9,971,896	8,751,563
Mudaraba instrument (2)	12	173,607,896	167,920,563
Total equity (1+2)		260,893,284	251,371,706

The accompanying notes from 1 to 28 form an integral part of these interim condensed consolidated financial statements.

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2025

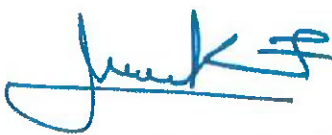
(All amounts in thousands \$ unless otherwise stated)

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
LIABILITIES			
Non-current liabilities			
Long term loans	13.2	110,770,384	89,468,867
Long term sukuk	13.2	44,865,012	32,713,096
Employees' benefits obligation		10,440,516	9,637,319
Non-current portion of deferred revenue		78,124,391	74,999,729
Advances from subscribers		20,106,940	20,237,065
Deferred government grants	23	1,132,060	1,111,954
Derivative financial instruments	13.3	225,943	-
Non-current portion of lease liabilities		307,391	394,441
Total non-current liabilities		265,972,637	228,562,471
Current liabilities			
Short term loans and facilities	13.2	21,066,457	16,631,416
Current portion of long-term loans	13.2	18,643,669	2,994,586
Current portion of sukuk	13.2	-	2,437,500
Trade payables	13.1	9,882,449	11,291,979
Accruals and other payables	14	34,188,716	24,533,266
Provision for other liabilities and charges		612,630	406,771
Refundable deposits from customers	13.1	1,909,003	1,911,702
Current portion of deferred revenue		3,076,516	2,917,674
Contract liabilities		3,005,871	3,785,231
Current portion of lease liabilities		201,812	170,110
Total current liabilities		92,587,123	67,080,235
Total liabilities		358,559,760	295,642,706
TOTAL EQUITY AND LIABILITIES		619,453,044	547,014,412



Executive Vice President and Chief
Financial Officer

Abdulaziz bin Abdulrahman AlMuhaiza



Chief Executive Officer

Khalid Salem AlGhamdi



Chairman of the Board

Najem Abdullah AlZaid

The accompanying notes from 1 to 28 form an integral part of these interim condensed consolidated financial statements.

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in thousands S unless otherwise stated)

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating revenue	18	31,047,180	28,315,515	78,269,551	66,553,340
Cost of revenue	19	(23,589,006)	(19,558,092)	(60,586,686)	(50,488,035)
Gross profit		7,458,174	8,757,423	17,682,865	16,065,305
Other income, net	20	121,600	129,003	389,960	965,398
Impairment losses on financial assets		(164,686)	(271,575)	(784,655)	(221,304)
General and administrative expenses		(384,818)	(329,687)	(1,117,810)	(908,270)
Research and development expenses		(14,094)	(717)	(48,519)	(8,869)
Operating profit for the period		7,016,176	8,284,447	16,121,841	15,892,260
Finance income		29,583	233,083	88,580	469,148
Finance expense		(1,597,030)	(1,496,985)	(4,378,141)	(3,980,744)
Finance costs, net	21	(1,567,447)	(1,263,902)	(4,289,561)	(3,511,596)
Share of profit on equity accounted investees		18,396	47,285	48,258	97,856
Profit for the period before zakat		5,467,125	7,067,830	11,880,538	12,478,520
Zakat expenses	17	(135,081)	(169,775)	(296,406)	(338,675)
Profit for the period		5,332,044	6,898,055	11,584,132	12,139,845
Earnings per share (express in S per share)					
Basic and diluted earnings per share after deducting dividends for Mudaraba instrument	22	0.73	1.13	1.18	1.33
Basic and diluted earnings per share Without deducting dividends for Mudaraba instrument	22	1.28	1.66	2.78	2.91


Executive Vice President and Chief
Financial Officer

Abdulaziz bin Abdulrahman AlMuhaiza


Chief Executive Officer

Khalid Salem AlGhamdi


Chairman of the Board

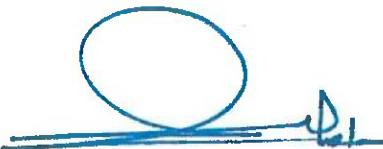
Najem Abdullah AlZaid

The accompanying notes from 1 to 28 form an integral part of these interim condensed consolidated financial statements.

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in thousands \$ unless otherwise stated)

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period		5,332,044	6,898,055	11,584,132	12,139,845
Other comprehensive loss:					
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:					
Derivative financial instruments at fair value - effective portion		(69,341)	(616,082)	(478,785)	(259,278)
Total items that may be reclassified to interim condensed consolidated statement of profit or loss		(69,341)	(616,082)	(478,785)	(259,278)
Items that may not be reclassified subsequently to interim condensed consolidated statement of profit or loss					
Remeasurement of employees' benefits obligations		-	(376,496)	-	(376,496)
Fair value reserve of financial asset through other comprehensive income		-	-	-	(12,023)
Total items that may not be reclassified to interim condensed consolidated statement of profit or loss		-	(376,496)	-	(388,519)
Other comprehensive loss		(69,341)	(992,578)	(478,785)	(647,797)
Total comprehensive income		5,262,703	5,905,477	11,105,347	11,492,048


Executive Vice President and Chief
Financial Officer

Abdulaziz bin Abdulrahman AlMuhaiza


Chief Executive Officer

Khalid Salem AlGhamdi


Chairman of the Board

Najem Abdullah AlZaid

The accompanying notes from 1 to 28 form an integral part of these interim
condensed consolidated financial statements.

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**
(All amounts in thousands \$ unless otherwise stated)

	Share capital	Statutory reserve	General reserve	Other reserves				Contractual reserve for Mudaraba instrument	Total equity before Mudaraba instrument			Total equity (1+2)
				Fair value of derivatives	Employees' benefits obligation	Financial assets at FVOCI	Total other reserves		(1)	(2)		
Balance as at January 1, 2024 (audited)	41,665,938	7,105,975	702,343	156,012	(24,391)	(21,985)	109,636	860,593	37,952,664	88,397,149	167,920,563	256,317,712
Profit for the period	-	-	-	(259,278)	(376,496)	(12,023)	(647,797)	-	12,139,845	12,139,845	-	12,139,845
Other comprehensive loss	-	-	-	(259,278)	(376,496)	(12,023)	(647,797)	-	-	(647,797)	-	(647,797)
Total comprehensive (loss) / Income	-	-	-	(259,278)	(376,496)	(12,023)	(647,797)	-	12,139,845	11,492,048	-	11,492,048
Transfer from statutory reserve to retained earnings	-	(7,105,975)	-	-	-	-	-	-	7,105,975	-	-	-
Transfer from general reserve to retained earnings	-	-	(702,343)	-	-	-	-	-	702,343	-	-	-
Transfer to contractual reserve for Mudaraba instrument	-	-	-	-	-	-	-	6,582,019	(6,582,019)	-	-	-
Paid from the contractual reserve	-	-	-	-	-	-	-	(4,247,690)	-	(4,247,690)	-	(4,247,690)
Dividend to shareholders	-	-	-	-	-	-	-	-	(2,916,616)	(2,916,616)	-	(2,916,616)
Balance as at September 30, 2024 (Unaudited)	41,665,938	-	-	(103,266)	(400,887)	(34,008)	(538,161)	3,194,922	48,402,192	92,724,891	167,920,563	260,645,454
Balance as at January 1, 2025 (audited)	41,665,938	-	-	347,376	(423,829)	(42,511)	(118,964)	984,901	40,919,268	83,451,143	167,920,563	251,371,706
Profit for the period	-	-	-	(478,785)	-	-	(478,785)	-	11,584,132	11,584,132	-	11,584,132
Other comprehensive loss	-	-	-	(478,785)	-	-	(478,785)	-	-	(478,785)	-	(478,785)
Total comprehensive (loss) / Income	-	-	-	(478,785)	-	-	(478,785)	-	11,584,132	11,105,347	-	11,105,347
Transfer to contractual reserve for Mudaraba instrument (note 12)	-	-	-	-	-	-	-	6,672,716	(6,672,716)	-	-	-
Paid from the contractual reserve (note 12)	-	-	-	-	-	-	-	(4,354,486)	-	(4,354,486)	-	(4,354,486)
Additions (note 12)	-	-	-	-	-	-	-	-	-	-	5,687,333	5,687,333
Dividend to shareholders (note 24)	-	-	-	-	-	-	-	-	(2,916,616)	(2,916,616)	-	(2,916,616)
Balance as at September 30, 2025 (Unaudited)	41,665,938	-	-	(131,409)	(423,829)	(42,511)	(597,749)	3,303,131	42,914,068	87,785,388	173,607,896	260,893,284

Executive Vice President and Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Abdulaziz bin Abdulrahman AlMuhaiza

Khalid Salem AlGhamdi

Najem Abdullah AlZaid

The accompanying notes from 1 to 28 form an integral part of these interim condensed consolidated financial statements.

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts in thousands \$ unless otherwise stated)

	Note	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before zakat		11,880,538	12,478,520
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	9	16,311,560	14,919,263
Depreciation of right-of-use assets	19	173,758	84,857
Depreciation of investment properties		1,120	2,394
Amortisation of intangible assets		55,799	61,750
Finance expense	21	4,378,141	3,980,744
Finance income	21	(88,580)	(469,148)
Employees' benefits obligation		661,769	528,798
Reversal for slow-moving and obsolete inventories	10	(154,730)	(83,977)
Impairment losses on financial assets		784,655	221,304
Share of profit on equity accounted investees		(48,258)	(97,856)
Amortisation of deferred government grant	20	(104,167)	(108,423)
Loss / (gain) on disposal of property, plant and equipment	20	24,803	(35,736)
Cash flow after adjustment of non-cash items		33,876,408	31,482,490
<u>Changes in operating assets and liabilities:</u>			
Inventories, net		(251,256)	(1,283,843)
Accounts receivable, net		(10,339,840)	(6,592,687)
Prepayments and other receivables, net		(954,057)	(1,649,962)
Loans and advances		(4,045,950)	(9,324,467)
Contract assets		(421,615)	219,002
Trade payables		4,277,803	484,789
Accruals and other payables		(1,992,032)	346,591
Contract liabilities		(779,360)	1,170,734
Refundable deposits from customers		(2,699)	3,519
Provision for other liabilities and charges		92,018	(214,235)
Advances from subscribers		(130,125)	871,014
Deferred government grants	23	124,273	-
Deferred revenue		3,283,504	1,674,660
Cash generated from operations		22,737,072	17,187,605
Employees' benefits obligation paid		(171,760)	(977,410)
Zakat paid		(182,565)	(347,535)
Net cash generated from operating activities		22,382,747	15,862,660
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(62,829,989)	(36,046,324)
Proceeds from sale of property, plant and equipment		108,939	181,753
Additional investment in equity account investees		(8)	(63,996)
Additional investment in financial assets at amortised cost		(2,732)	-
Dividend received from investments		46,214	33,016
Loan to associates and joint ventures, net		(17,698)	-
Finance income received		88,580	469,148
Net cash used in investing activities		(62,606,694)	(35,426,403)

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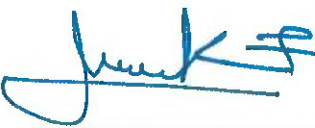
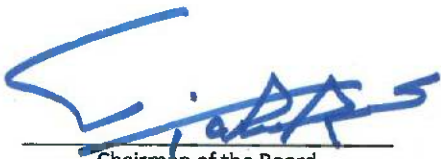
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SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts in thousands \$ unless otherwise stated)

	Note	September 30, 2025	September 30, 2024
		(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		64,034,602	53,442,134
Proceeds from issuance of sukuk	13.2	12,187,500	10,804,286
Repayments of loans		(22,648,961)	(18,624,696)
Repayments of Sukuk		(2,473,084)	(13,147,127)
Payment from contractual reserve for Mudaraba Instrument		(4,354,486)	(4,247,690)
Payment for lease liabilities		(239,658)	(148,694)
Dividends paid		(2,919,297)	(2,920,079)
Finance costs paid		(3,982,727)	(3,625,800)
Net cash generated from financing activities		39,603,889	21,532,334
Net change in cash and cash equivalents		(620,058)	1,968,591
Cash and cash equivalents at the beginning of the period		1,631,656	621,552
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		1,011,598	2,590,143

Non-cash transactions are disclosed in note 26.

 Executive Vice President and Chief Financial Officer Abdulaziz bin Abdulrahman AlMuhaiza	 Chief Executive Officer Khalid Salem AlGhamdi	 Chairman of the Board Najem Abdullah AlZaid
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The accompanying notes from 1 to 28 form an integral part of these interim condensed consolidated financial statements.

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

(All amounts in thousands ﷻ unless otherwise stated)

1. CORPORATE INFORMATION

The Saudi Electricity Company (the "Company") was formed pursuant to the Council of Ministers' Resolution Number 169 dated 11 Sha'ban 1419H corresponding to November 29, 1998, which reorganized the Electricity Sector in the Kingdom of Saudi Arabia by merging all local companies that provided electricity services (10 joint stock companies that covered most of the geographical areas of the Kingdom), in addition to the projects of the General Electricity Corporation, a governmental corporation belonging to the Ministry of Industry and Electricity (11 operating projects that covered various areas in the north of the Kingdom) into the Company.

The Company was founded as a Saudi joint stock company pursuant to the Royal Decree No. M/16 dated 6 Ramadan 1420H corresponding to December 13, 1999, in accordance with the Council of Ministers' Resolution Number 153, dated 5th Ramadan 1420H corresponding to December 12, 1999 and the Minister of Commerce's Resolution Number 2047 dated 30 Dhul-Hijjah 1420H corresponding to April 5, 2000 as a Saudi joint stock company according to the Commercial Registration by Riyadh Number 1010158683 and unified number 7000579370, dated 28 Muhurram 1421H corresponding to May 3, 2000.

The Company's principal activities are generation, transmission and distribution of electricity. The Company is the major provider of electricity all over the Kingdom of Saudi Arabia, serving governmental, industrial, agricultural, commercial, healthcare and residential consumers.

The Company is a tariff-regulated company for provision of electricity. Electricity tariffs are determined by the Council of Ministers based on recommendations from the Saudi Electricity Regulatory Authority (the "Authority"), which was established on November 13, 2001 according to Council of Ministers' Resolution No. 169 dated 11 Sha'aban 1419H. The change on tariff was made through the Council of Ministers' Resolution Number 170 dated 12 Rajab 1421H and was effective from 1 Sha'aban 1421H corresponding to October 28, 2000 whereby the tariff on the highest bracket was set at a rate of 26 Halala per Kilowatts per hour.

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in thousands ﷲ unless otherwise stated)

1. CORPORATE INFORMATION (CONTINUED)

Pursuant to Royal Order No. 2719 - dated 14 Muharram 1438H corresponding to October 15, 2016, and Ministry of Finance letter No. 5627 - dated 2 Jumada Al Akhirah 1441H corresponding to January 27, 2020, the balancing account has been activated by the Ministry of Finance starting from 2019.

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

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

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

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

The Company's share capital is divided into 4,166,593,815 shares of ﷲ 41,665,938,150 with a nominal value of ﷲ 10 per share. The Government of Saudi Arabia's shareholding of 74.31% in the Company was transferred to the Public Investment Fund by Royal Decree No. 47995 dated 19th Shawwal 1438H (July 13, 2017).

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

Saudi Electricity Company is referred to as ("Company") or together with its subsidiaries as ("Group") throughout the financials. These interim condensed consolidated financial statements include the assets, liabilities and results of operations of the subsidiaries and their branches referred to in the table below. The percentage of voting rights owned by the Company in subsidiaries is not different from that of the ordinary shares held. The financial year of the subsidiaries starts from the first of January and ends at the end of December of each Gregorian year, except newly incorporated companies for which first financial year begins on the date of incorporation and ends on December 31.

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1. CORPORATE INFORMATION (CONTINUED)

The subsidiaries are listed below:

Subsidiary	Country of incorporation	Ownership in ordinary shares %		Principal activities
		September 30, December 31,		
		2025	2024	
National Grid S.A. Company “Grid Company”	Kingdom of Saudi Arabia	100	100	Transmission
Dawiyat Telecommunication Company	Kingdom of Saudi Arabia	100	100	Telecommunication
Electricity Sukuk Company*	Kingdom of Saudi Arabia	100	100	Financing
Saudi Electricity for Projects Development Co.	Kingdom of Saudi Arabia	100	100	Projects Management
Saudi Electricity Global Sukuk Company - 1	Cayman Islands	100	100	Financing
Saudi Electricity Global Sukuk Company - 2	Cayman Islands	100	100	Financing
Saudi Electricity Global Sukuk Company - 3	Cayman Islands	100	100	Financing
Saudi Electricity Global Sukuk Company - 4	Cayman Islands	100	100	Financing
Saudi Electricity Global Sukuk Company - 5	Cayman Islands	100	100	Financing
Saudi Electricity Company for the International Sukuk Program	Cayman Islands	100	100	Financing
Solution Valley Company	Kingdom of Saudi Arabia	100	100	Power service
Saudi Energy Production Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Energy Generation
Dawiyat Integrated Company for Telecommunications and Information Technology	Kingdom of Saudi Arabia	100	100	Telecommunication Wireless telecommunication services
Dawiyat Digital for Information Technology	Kingdom of Saudi Arabia	100	100	Building, operating, and leasing data centres
Dawiyat Company for Data Centers	Kingdom of Saudi Arabia	100	100	Developing, managing, leasing, buying and selling lands and real estate
Ettijahat Real Estate Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Developing infrastructure of power project
United Infrastructure Power Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Investing and leasing in real estate and fund
Ettijahat Advanced for Power, Holding Company (business not commenced)	Kingdom of Saudi Arabia	100	100	Investment entity
Sahl First Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Sahl Second Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Sahl Third Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Ghazal First Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation
Ghazal Second Energy Company (business not commenced)	Kingdom of Saudi Arabia	100	-	Power generation

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1. CORPORATE INFORMATION (CONTINUED)

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

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

Joint Ventures	Country of incorporation	Ownership in ordinary shares %	
		September 30, 2025	December 31, 2024
Hajr for Electricity Production Company	Kingdom of Saudi Arabia	50	50
Rabigh Electricity Company	Kingdom of Saudi Arabia	20	20
Al Mourjan for Electricity Production Company	Kingdom of Saudi Arabia	50	50
Dhuruma Electricity Company	Kingdom of Saudi Arabia	50	50
Global Data Hub Company *	Kingdom of Saudi Arabia	50	50
Electric Vehicle Infrastructure Company	Kingdom of Saudi Arabia	25	25
Sidra One Holding company	Kingdom of Saudi Arabia	40	40
Qudra One Holding company	Kingdom of Saudi Arabia	40	40
Saudi Greek Interconnection Societe Anonyme	Kingdom of Saudi Arabia	50	50
Remal First Holding Company	Kingdom of Saudi Arabia	35	35
Naseem First Holding Company	Kingdom of Saudi Arabia	35	35
Hajr One Holding Company	Kingdom of Saudi Arabia	40	40
Al Mourjan Two Holding Company	Kingdom of Saudi Arabia	40	40
Associates			
Gulf Co-operation Council Inter-Connection Authority	Kingdom of Saudi Arabia	31.6	31.6
Gulf Laboratory Company for testing electrical Equipment	Kingdom of Saudi Arabia	30	30
Al Fadhly Co-Generation Company	Kingdom of Saudi Arabia	30	30
Green Saudi Company for Carbon Services **	Kingdom of Saudi Arabia	-	51

* During the period, the acquisition of the remaining shares of the Global Data Hub Company was approved, and the transfer of ownership and related formalities are under process.

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

2. SIGNIFICANT EVENT

Climate change effect

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

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

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

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

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3. BASIS OF PREPARATION

a) Statement of compliance

These interim condensed consolidated financial statements of the Group have been prepared in compliance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Public Accountants (SOCPA) and the requirements of the laws and regulations in Saudi Arabia.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024. IAS 34 states that the interim condensed consolidated financial statements are intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial statements than IFRS requires in annual financial statements.

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

b) Basis of measurements and presentation

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the interim condensed consolidated statement of financial position:

- The employees' benefits obligation, which is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Derivative financial instruments and investments that are measured at fair value.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

Accounting policies adopted in preparation of these interim condensed consolidated financial statements are described in note 4 of the Group's consolidated financial statements for the year ended December 31, 2024 and are constant across the Group.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended International Financial Reporting Standards (“IFRSs”) Standards that are effective for the current period

The following standards, interpretations or amendments are effective and are adopted by the Group but do not have an impact on the interim condensed consolidated financial statements of the Group.

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

New and revised IFRSs issued but not yet effective and not early adopted

The standards and amendments that are issued, but not yet effective, as of September 30, 2025 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New and revised IFRS	Summary	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18 - presentation and disclosure in financial statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income, and expenses.	1 January 2027
IFRS 19 - Reducing subsidiaries disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate, or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards	1 January 2027

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

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5. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Group's interim condensed consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's annual consolidated financial statements as of December 31, 2024.

6. FINANCIAL RISK MANAGEMENT

6.1 Fair-value measurement

The Group measures certain of its financial instruments at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities whose fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest input level considered significant for the overall measurement:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either, directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Fair-value measurement (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value:

As of September 30, 2025 - Unaudited	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Financial assets through other comprehensive income	-	-	230,119	230,119
Derivative financial assets	-	83,213	-	83,213
Total financial assets	-	83,213	230,119	313,332
Financial liabilities				
Derivatives financial liabilities	-	225,943	-	225,943
Total financial liabilities	-	225,943	-	225,943
As of December 31, 2024 - Audited				
Financial assets				
Financial assets through other comprehensive income	-	-	230,119	230,119
Derivative financial assets	-	202,377	-	202,377
Total financial assets	-	202,377	230,119	432,496
Financial liabilities				
Derivatives financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Valuation techniques used to derive level two fair-value

Interest rate swaps are fair valued using the mark-to-market value (or fair value) of the interest rate swap technique. The effects of discounting are generally insignificant for Level two derivatives.

Fair value measurements using significant unobservable inputs (Level three)

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current default swap or bond prices.

The Group has four investments accounted as financial assets through other comprehensive income i.e.

- 8% Stake in Shuaiba Water and Electricity Company;
- 8% Stake in Shuqaiq Water and Electricity Company;
- 5% Stake in Jubail Water and Power Company; and
- 8% Stake in Shuaiba Expansion Holdings Company.

The fair valuation of these four investments is carried out using the dividend valuation model (DVM).

In accordance with this methodology, the expected future dividends from the investments are projected (the historical dividend pay-out pattern is used as a basis for future projections over the investment horizon), and discounted using the cost of equity as the relevant discount rate to ascertain the fair value of these investments.

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Fair-value measurement (continued)

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

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

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

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

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

Fair value of financial assets and liabilities measured at amortised cost

The fair value of the financial assets and liabilities approximates their carrying amount.

Mudaraba instrument

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

6.2 Liquidity risk

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

The management objective of liquidity risk is to ensure that the Group has sufficient financing facilities to meet its current and future obligations. The Group aims to maintain adequate flexibility in financing by maintaining appropriate credit facilities. The Group expects to meet its future financial obligations without being affected by the shortfall in working capital, through cash collections of receivables and through bank facilities and loans.

6.3 Credit risk

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

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

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7. SEASONALITY OF OPERATIONS

The operations and revenues of the Group are affected by seasonal weather changes during the year. Revenues are materially lower during the winter months due to lower consumption of electricity whereas higher revenues are earned during summer months due to the increase in consumption of electricity as a result of high temperatures. Therefore, the results of operations for this interim period may not be an accurate indication of the actual results for the full year.

8. OPERATING SEGMENTS

The main operating activities of the Group are divided into generation, transmission, distribution and subscriber services which are complementary to each other in the production and delivery of electricity to the consumers. The Group's revenues are currently realized from the sale of energy to the final consumer as per the official rate set by the regulator. Almost all operations are carried out within the Kingdom.

Saudi Electricity Company's operating segments are established on the basis of those components that are evaluated regularly by the Group Chief Executive Officer, considered to be the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker monitors the operating results of Saudi Electricity's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, costs and a broad range of key performance indicators in addition to segment profitability.

Information reported to the Group's CODM for the purposes of resource allocation and assessment of segment performance is focused on the type of activity. The group's reportable segments under IFRS 8 as endorsed in the kingdom of Saudi Arabia are therefore as follows:

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

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

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

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

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

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8. OPERATING SEGMENTS (CONTINUED)

	Saudi Electricity Company			National Grid Company		Adjustments/ eliminations	Total
	Corporate	Generation	Distribution and subscriber' services	Transmission	Other subsidiaries		
Nine months period ended September 30, 2025 (Unaudited) (ﷲ in million)							
Revenue							
External consumers	-	14,911	72,925	4,791	540	(14,897)	78,270
Between sectors	-	-	-	16,348	2,394	(18,742)	-
Total revenue	-	14,911	72,925	21,139	2,934	(33,639)	78,270
Fuel	-	(104)	-	-	-	-	(104)
Purchased power	-	-	(57,724)	(2,062)	-	31,245	(28,541)
Operating and maintenance costs	66	(4,733)	(6,219)	(2,928)	(1,625)	2,266	(13,173)
Construction cost	-	-	-	(2,452)	(69)	-	(2,521)
Depreciation of property, plant and equipment	-	(5,256)	(4,267)	(6,294)	(258)	-	(16,075)
Depreciation of right-of-use assets	(173)	-	-	-	-	-	(173)
Gross (loss)/profit	(107)	4,818	4,715	7,403	982	(128)	17,683
Other income, net							390
Research and development expenses							(49)
Impairment losses on financial assets							(785)
General and administrative expenses							(1,118)
Finance costs, net							(4,289)
Share of profit on equity accounted investees							48
Zakat expenses							(296)
Profit for the period							11,584
As at September 30, 2025							
Property, plant and equipment, net	7,713	119,224	171,903	257,502	4,492	-	560,834
Total assets	405,543	126,802	198,778	264,674	5,180	(381,524)	619,453
Total liabilities	205,469	122,067	192,516	207,450	2,566	(371,508)	358,560

SAUDI ELECTRICITY COMPANY
(A SAUDI JOINT STOCK COMPANY)

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8. OPERATING SEGMENTS (CONTINUED)

Nine months period ended September 30, 2024 (Unaudited) (ﷲ in million)	Saudi Electricity Company			National Grid Company		Adjustments/ eliminations	Total
	Corporate	Generation	Distribution and subscriber' services	Transmission	Other subsidiaries		
Revenue							
External consumers	-	13,107	61,392	4,429	724	(13,099)	66,553
Between sectors	-	-	-	15,626	-	(15,626)	-
Total revenue	-	13,107	61,392	20,055	724	(28,725)	66,553
Fuel	-	(95)	-	-	-	-	(95)
Purchased power	-	-	(48,588)	(2,643)	-	28,725	(22,506)
Operating and maintenance costs	450	(4,217)	(4,703)	(2,169)	(125)	-	(10,764)
Construction cost	-	-	-	(2,377)	-	-	(2,377)
Depreciation of property, plant and equipment	-	(4,740)	(3,915)	(5,778)	(228)	-	(14,661)
Depreciation of right-of-use assets	(85)	-	-	-	-	-	(85)
Gross profit	365	4,055	4,186	7,088	371	-	16,065
Other income, net							965
Research and development expenses							(9)
Impairment reversal on financial assets							(221)
General and administrative expenses							(907)
Finance costs, net							(3,512)
Share of profit on equity accounted investees							98
Zakat expenses							(339)
Profit for the period							12,140
As at December 31, 2024							
Property, plant and equipment, net	7,011	114,558	158,429	218,935	4,116	-	503,049
Total assets	357,074	117,359	176,456	224,375	5,295	(333,545)	547,014
Total liabilities	159,909	114,187	169,524	171,955	3,598	(323,530)	295,643

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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
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9. PROPERTY, PLANT AND EQUIPMENT, NET

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net book value at the beginning of the period/year	503,049,006	460,951,523
Reclassification/transferred from inventories	-	3,033,256
Additions	74,388,886	59,885,829
Disposals, net	(133,742)	(207,293)
Transfer to Intangible assets *	(158,584)	-
Depreciation for the period/year	(16,311,560)	(20,611,522)
Transfer to investment properties, net	-	(2,787)
Net book value at the end of the period/year	560,834,006	503,049,006

An amount of ﷲ 39.7 billion (December 31, 2024: ﷲ 53.5 billion) was transferred from projects under construction to property, plant and equipment. Project under construction as of September 30, 2025 amounts to ﷲ 109 billion (December 31, 2024: ﷲ 73.9 billion).

* The transfer to intangible represents the capitalizations from Assets Under Constructions for the relevant intangible assets.

Capitalized finance charges during the period on projects under construction amounting to ﷲ 3.2 billion (December 31, 2024: ﷲ 3.5 billion).

10. INVENTORIES, NET

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Material, spare parts and supplies:		
Generation plant	775,983	687,713
Distribution network	493,385	279,678
Transmission network	195,918	196,199
Others	444,820	495,260
	1,910,106	1,658,850
Less: allowance for slow-moving and obsolete inventories	(390,717)	(545,447)
	1,519,389	1,113,403

The permanent decrease in the value of the inventories amounted to ﷲ 23 million as of September 30, 2025 (December 31, 2024: ﷲ 53.8 million).

During the prior period, an amount of ﷲ 3,033 million was reclassified/transferred from inventories to property, plant and equipment.

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance as at beginning of the period/year	545,447	788,027
Reversal for the period/year	(154,730)	(167,720)
Reversal due to reclassification to property, plant and equipment (note 25)	-	(74,860)
Balance as at the end of the period/year	390,717	545,447

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11. ACCOUNTS RECEIVABLE, NET

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Governmental institutions (a) (note 23)	9,246,187	6,921,316
Receivables other than government (b)	12,024,224	8,835,708
Due from related parties (note 23)	7,608,016	4,573,080
Receivables for electricity service connection projects	1,590,804	1,908,316
	30,469,231	22,238,420
Add: accrued revenue	5,511,532	3,402,503
	35,980,763	25,640,923
Less: allowance for expected credit losses	(3,667,462)	(3,043,244)
	32,313,301	22,597,679

- a) This includes the receivable related to the balancing account of the required revenue according to the Revenue Requirement Determination Methodology (RRDM).
- b) Included in receivables is an amount of ﷲ 366 million that is currently under litigation. Management has not accounted for a specific allowance against this balance, as it believes it is fully recoverable.

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance as at beginning of the period/year	3,043,244	3,478,376
Charge / (reversal) for the period/year	624,218	(433,702)
Written off during the period/year	-	(1,430)
Balance as at the end of the period/year	3,667,462	3,043,244

12. MUDARABA INSTRUMENT

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

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

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12. MUDARABA INSTRUMENT (CONTINUED)

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

Second Additional Mudaraba

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

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

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

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

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

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

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

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

Movement in the contractual reserve is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance as at the beginning of the period/year	984,901	860,593
Transferred from retained earnings during the period/year	6,672,716	8,792,041
Paid during the period/year	(4,354,486)	(8,667,733)
Balance as at the end of the period/year	3,303,131	984,901

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13. FINANCIAL INSTRUMENTS

13.1 Financial instruments other than interest bearing

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Derivative financial liabilities		
Derivative financial instruments at fair value (note 13.3)	225,943	-
Other financial liabilities carried at amortized cost, other than interest bearing		
Trade payables	9,882,449	11,291,979
Accruals and other payables	34,188,716	24,533,266
Refundable deposits from customers	1,909,003	1,911,702
Total other financial liabilities carried at amortized cost, other than interest bearing	45,980,168	37,736,947

13.2 Interest bearing liabilities

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

	Short term loans and facilities (Unaudited)	Long term loans (Unaudited)	Sukuks (Unaudited)	Total (Unaudited)
Non-current	-	110,770,384	44,865,012	155,635,396
Current	21,066,457	18,643,669	-	39,710,126
	21,066,457	129,414,053	44,865,012	195,345,522

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

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

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13. FINANCIAL INSTRUMENTS (CONTINUED)

13.2 Interest bearing liabilities (continued)

Movements in loans and sukuk during the year / period are as follows:

	Short term loans and facilities	Long term loans	Sukuk	Total
As at January 1, 2024 – Audited	8,915,653	63,545,742	37,491,949	109,953,344
Proceeds from loans and sukuk	24,143,448	32,064,661	10,801,950	67,010,059
Repayments of loans and sukuk	(16,427,685)	(2,907,789)	(13,125,800)	(32,461,274)
Net charge to deferred costs	-	(239,161)	(17,503)	(256,664)
As at December 31, 2024 – Audited	16,631,416	92,463,453	35,150,596	144,245,465
Proceeds from loans and sukuk	24,315,910	39,718,692	12,187,500	76,222,102
Repayments of loans and sukuk	(19,877,515)	(2,395,961)	(2,437,500)	(24,710,976)
Net charge to deferred costs	(3,354)	(372,131)	(35,584)	(411,069)
As at September 30, 2025 – Unaudited	21,066,457	129,414,053	44,865,012	195,345,522

13.2.1 Long term loans

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

	Loan currency	Maturity date	Principal amount	September 30, 2025 (Unaudited) ﷲ	December 31, 2024 (Audited)
Domestic Bank 2	ﷲ	2025	5,000,000	191,200	382,400
Domestic Bank 6	ﷲ	2026	3,500,000	2,415,000	2,441,250
Domestic Bank 8	ﷲ	2026	15,200,000	13,680,000	13,984,000
Domestic Bank 9	ﷲ	2029	2,850,000	2,126,250	2,542,500
Domestic Bank 10	ﷲ	2027	9,000,000	8,370,000	8,550,000
Domestic Bank 11	ﷲ	2032	1,500,000	1,455,000	1,470,000
Local Syndicated Loan 12	ﷲ	2030	10,000,000	9,800,000	10,000,000
Domestic Bank 13	ﷲ	2036	1,600,000	1,600,000	1,052,820
Domestic Bank 14	ﷲ	2030	3,000,000	3,000,000	3,000,000
Domestic Bank 15	USD	2031	3,750,550	3,750,550	3,750,550
Domestic Bank 16	USD	2031	1,878,375	1,878,375	1,878,375
Domestic Bank 17 (a)	USD	2032	2,718,750	1,342,500	-
Domestic Bank 18 (b)	USD	2032	1,837,500	1,837,500	-
Domestic Bank 19 (c)	USD	2032	1,425,000	1,417,500	-
International Bank 1 (d)	USD	2032	2,625,000	1,496,250	-
International Bank 2 (e)	USD	2032	1,125,000	967,500	-
International syndicated loan 3	USD	2026	5,251,120	655,244	874,026
International syndicated loan 4	USD	2028	7,240,715	1,925,281	2,273,319
International syndicated loan 6	USD	2029	3,375,585	1,124,050	1,405,373
International syndicated loan 7	USD	2029	1,575,336	524,892	656,176
International syndicated loan 9	USD	2033	4,500,000	1,342,969	1,309,201
International syndicated loan 10	USD	2027	11,265,874	11,265,874	11,265,874
International syndicated loan 11	USD	2028	11,251,425	11,251,425	11,251,425
International syndicated loan 12	USD	2033	776,250	776,250	776,250
International syndicated loan 13	USD	2029	3,750,600	3,750,600	3,750,600
International syndicated loan 14	USD	2029	7,503,650	7,503,650	7,503,650
International syndicated loan 15	USD	2036	2,128,155	2,122,222	1,828,145
International syndicated loan 16	USD	2029	983,800	938,800	938,800
International syndicated loan 17 (f)	USD	2030	13,504,795	13,504,795	-
International syndicated loan 18 (g)	USD	2030	3,751,750	3,751,750	-
International syndicated loan 19 (h)	USD	2037	3,752,400	3,752,400	-
International syndicated loan 20 (i)	USD	2032	10,689,638	10,689,638	-
				130,207,465	92,884,734
Less: unamortized portion of the prepaid fees				(793,412)	(421,281)
				129,414,053	92,463,453

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13. FINANCIAL INSTRUMENTS (CONTINUED)

13.2 Interest bearing liabilities (continued)

13.2.1 Long term loans (continued)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
This is classified as following		
Current portion	18,643,669	2,994,586
Non-current portion	110,770,384	89,468,867
	<u>129,414,053</u>	<u>92,463,453</u>

- (a) On 14 Muharram 1447H (corresponding July 9, 2025), a subsidiary of the Group signed an Equity Bridge Loan (EBL) Murabaha Facility Agreement with a domestic bank for a total facility amount of USD 725 million (ﷲ 2.72 billion) for 7 years. As at September 30, 2025, the Group has utilised USD 358 million (ﷲ 1.34 billion) from this facility.
- (b) On 14 Muharram 1447H (corresponding to 9 July 2025), a subsidiary of the Group signed an EBL Murabaha Facility Agreement with a Domestic bank amounting USD 490 million (ﷲ 1.84 billion) for 7 years. As at 30 September 2025, the Group has utilised USD 490 million (ﷲ 1.84 billion).
- (c) On 21 Dhul Hijjah 1446H (corresponding to June 17, 2025), a subsidiary of the Group has signed an EBL Murabaha Facility Agreement with a Domestic bank amounting USD 380 million (ﷲ 1.43 billion) for 7 years. As at September 30, 2025, the Group has utilised USD 378 million (ﷲ 1.42 billion).
- (d) On 29 Dhul Qidah 1446H (corresponding to May 27, 2025), a subsidiary of the Group signed an agreement with an international bank for an EBL facility agreement amounting to USD 700 Million (ﷲ 2.63 billion) for 7 years. As at September 30, 2025 the Group has utilised USD 399 million (ﷲ 1.5 billion) from this facility agreement.
- (e) On 6 Dhul Hijjah 1446H (corresponding to June 2, 2025), a subsidiary of the Group signed an agreement with an international bank for an EBL facility agreement amounting to USD 300 Million (ﷲ 1.13 billion) for 7 years. As at September 30, 2025 the Group has utilised USD 258 million (ﷲ 968 million) from this facility agreement.
- (f) On 12 Jamada Al Akhira 1446H (corresponding to December 13, 2024), the Group signed International Syndicated Facility agreement with International banks amounting to USD 3.6 billion (ﷲ 13.5 billion) for 5 years. As at September 30, 2025, the Group has utilised USD 3.6 billion (ﷲ 13.5 billion) from this facility agreement.
- (g) On 16 Dhul Qidah 1446H (corresponding to May 14, 2025), the Group signed an International Syndicated Facility with international banks amounting to USD 1 billion (ﷲ 3.75 billion) for 5 years. As at September 30, 2025 the Group has utilised USD 1 billion (ﷲ 3.75 billion) from this facility agreement.
- (h) On 13 Safar 1447H (corresponding to August 7, 2025), the Group signed a syndicated facilities agreement with international banks amounting to USD 1 billion (ﷲ 3.75 billion) for 12 years. As at September 30, 2025 the Group has utilised USD 1 billion (ﷲ 3.75 billion).
- (i) On 22 Rabi Al Awwal 1447H (corresponding to September 14, 2025), the Group signed International Syndicated Facility agreement with International banks amounting to USD 2.85 billion (ﷲ 10.69 billion) for 7 years. As at September 30, 2025, the Group has utilised USD 2.85 billion (ﷲ 10.69 billion) from this facility agreement.

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13. FINANCIAL INSTRUMENTS (CONTINUED)

13.2 Interest bearing liabilities (continued)

13.2.2 Short term loans and facilities

The following are short-term loans and facilities of the Group:

	Loan currency	Principal amount	September 30, 2025 (Unaudited) ﷲ	December 31, 2024 (Audited)
Domestic revolving bank loan 1	ﷲ	3,000,000	3,000,000	3,000,000
Domestic revolving bank loan 2	ﷲ	3,000,000	3,000,000	3,000,000
Domestic revolving bank loan 3	USD	2,000,000	2,000,000	2,000,000
Domestic revolving bank loan 4	ﷲ	4,000,000	4,000,000	-
International Syndicated Revolving Credit Facility 5	USD	15,000,000	6,763,561	8,631,416
International bank bridge loan	USD	2,625,000	2,302,896	-
Total short-term loans and facilities			21,066,457	16,631,416

13.2.3 Sukuk

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Non-current	44,865,012	32,713,096
Current	-	2,437,500
	44,865,012	35,150,596

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13 FINANCIAL INSTRUMENTS (CONTINUED)

13.2 Interest bearing liabilities (continued)

13.2.3 Sukuk (continued)

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

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

2. During April 2014, the Group also issued a global Sukuk amounting to ﷲ 9.4 billion (equivalent to US\$ 2.5 billion at par). The issuance consists of two types of Sukuk certificates. The first with a value of ﷲ 5.6 billion (equivalent to US\$ 1.5 billion), matures after 10 years with a fixed interest rate of 4% and the second with a value of 3.75 billion Saudi Riyals (equivalent to US\$ 1 billion) is due after 30 years with a fixed rate of 5.5%. The Group repaid the first issuance amounting ﷲ 5.6 billion of the sukuk in April 2024.
3. During September 2018 the Group also issued a global Sukuk amounting to ﷲ 7.5 billion (equivalent to US\$ 2 billion at par). The issuance consists of two tranches of Sukuk certificates. The first tranche with a value of ﷲ 3 billion (equivalent to US\$ 800 million), 5.3 years tenure with a fixed interest rate of 4.222% per annum and the second tranches with a value of ﷲ 4.5 billion Saudi Riyals (equivalent to US\$ 1.2 billion), 10 years tenure with a fixed rate of 4.723% per annum. Further during January 2024, the Group repaid 5.3 year tranche of international sukuk issued in 2018 amounting ﷲ 3 billion (equivalent to US\$ 0.8 billion).
4. During September 2020, the Group issued an international green Sukuk amounting to ﷲ 4.87 billion (equivalent to US\$1.3 billion at par). The issuance consists of two tranches of Sukuk certificates. The first one with value of ﷲ 2.43 billion (equivalent to US\$ 650 million) maturing after 5 years tenure with a fixed rate 1.74% and the second one with a value ﷲ 2.43 billion (equivalent to US\$ 650 million) maturing after 10 years tenure with fixed rate 2.413%. The Group has repaid ﷲ 2.43 billion during the period ended September 30, 2025.
5. During April 2023, the Group issued an international green Sukuk amounting to ﷲ 7.5 billion (equivalent to US\$ 2 billion at par). The issuance consists of two types of Sukuk certificates. The first one with value of ﷲ 4.5 billion (equivalent to US\$ 1.2 billion) maturing after 10 years tenure with a fixed rate 4.63% and the second one with a value ﷲ 3 billion (equivalent to US\$ 800 million) maturing after 30 years tenure with fixed rate 5.68%.

Additionally, during March 2024, the Group performed a subsequent tap issuance under an existing Sukuk issuance amounting to ﷲ 750 million (equivalent to US\$ 200 million) maturing in 2053. Additionally, during March 2024, the Group issued another Tap Sukuks under an existing Sukuk series amounting to ﷲ 1.875 billion (equivalent to US\$ 0.5 billion) maturing in 2053. Both taps are fungible with the original Sukuks issued.
6. During February 2024, the Group issued an international Sukuk amounting to ﷲ 8.25 billion (equivalent to US\$ 2.2 billion at par). The issuance consists of two types of Sukuk certificates. The first one with value of ﷲ 3 billion (equivalent to US\$ 0.8 billion) maturing after 5 years tenure with a fixed rate 4.942% and the second one with a value ﷲ 5.25 billion (equivalent to US\$ 1.4 billion) maturing after 10 years tenure with fixed rate 5.194%.

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13. FINANCIAL INSTRUMENTS (CONTINUED)

13.2 Interest bearing liabilities (continued)

13.2.3 Sukuk (continued)

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

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

13.3 Derivative financial instruments

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

The notional amounts, which provide an indication of the volumes of the transactions outstanding at the end of the period/year, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are not indicative of market risk nor of the Group's exposure to credit risk, which is generally limited to the fair value of the derivatives.

All interest rate swaps as at September 30, 2025 are classified as cash flow hedges. Derivatives are classified as non-current or current assets and as non-current or current liabilities, depending on the expiration date of the financial instruments.

The fair values of the derivative financial instruments are summarised in the table below:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Derivative financial instruments assets:		
Interest rate swap		
Non-current	<u>83,213</u>	<u>202,377</u>
Derivative financial instruments liabilities:		
Interest rate swap		
Non-current	<u>225,943</u>	<u>-</u>

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

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14. ACCRUALS AND OTHER PAYABLES

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued capital projects and other expenses **	30,365,315	20,079,757
Accrued interest expenses	2,117,692	2,079,292
Accrued employees' benefits	1,171,348	1,441,326
Dividends payable	491,613	494,294
Other credit balances under settlement	-	415,291
Accrued government fees*	-	-
Others	42,748	23,306
	34,188,716	24,533,266

*As at September 30, 2025 an amount of ﷲ 400 million (December 31, 2024: ﷲ 636 million) to be received from electricity consumers and payable to government of KSA has been classified along with the related liability to better reflect the substance of the transaction.

** This includes an amount of ﷲ 53 million related to liabilities associated with equity accounted investees.

15. CONTINGENT LIABILITIES

- a) There are some claims filed by one of the contractors against the Group. These are currently in the arbitral procedures, based on the amendment claims filed, the contractor is claiming an approximate amount ﷲ 1.4 billion. However, the Group has also filed counter claims against the Contractor amount ranging from ﷲ 3.8 to ﷲ 4.4 billion with the same arbitrator. Management currently believes that there is no basis for recording any obligation and that the Group's position is strong to date according to the supporting documents available to the Group. In addition, there are other capital project claims amounting ﷲ 448 million, where management currently believes that there is no basis for recording any obligation and that the Group's position is strong to date according to the supporting documents available to the Group.
- b) The Group has provided guarantees to certain commercial banks and other parties, including guarantees on behalf of joint ventures and associates, with a total amount ﷲ 932 million as at September 30, 2025 (December 31, 2024: ﷲ 543 million).

16. COMMITMENT

The capital commitments at the date of the interim condensed consolidated statement of financial position comprises of unexecuted portion of capital contracts conducted by the Group for the development and installation of power plants and other assets amounting to ﷲ 149 billion as of September 30, 2025 (December 31, 2024: ﷲ 121 billion).

Contractual obligations

The Group has signed contracts to supply all the energy produced from the Group's generation units to the Saudi Power Procurement Company for a specific long-term period, and these contracts are irrevocable.

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(All amounts in thousands ﷲ unless otherwise stated)

17. ZAKAT

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

18. OPERATING REVENUE

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Electricity sales	24,462,817	22,917,451	57,418,275	52,936,183
Meter reading, maintenance and bills preparation tariff	389,140	381,624	1,165,824	1,136,854
Electricity connection tariff	759,904	701,042	2,227,710	2,087,465
Transmission revenue	395,233	385,001	1,193,179	1,156,930
Other operating revenue*	4,163,783	3,020,806	13,626,057	6,704,989
Construction revenue	876,303	909,591	2,638,506	2,530,919
	31,047,180	28,315,515	78,269,551	66,553,340

*Other operating revenue includes an amount of ﷲ 12.5 billion for the period ended September 30, 2025 (September 30, 2024: ﷲ 5.8 billion) which represents the difference between required revenue in accordance with RRDM and actual revenue based on management's best estimate as follows:

	Nine-months ended September 30	
	2025 Unaudited	2024 Unaudited
Estimated difference of required and actual revenue	12,471,778	7,239,724
Adjustment ex-post computation for the year 2022 as approved by Regulator	-	(1,470,346)
	12,471,778	5,769,378

19. COST OF REVENUE

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Fuel	49,866	49,983	104,140	95,306
Purchased power (note 19.1)	12,481,588	10,123,585	28,540,737	22,506,244
Operations and maintenance	4,529,786	3,472,781	13,171,912	10,763,731
Depreciation of property, plant and equipment	5,608,746	5,011,854	16,075,014	14,660,957
Construction cost	837,625	867,208	2,521,125	2,376,940
Depreciation of right-of-use assets	81,395	32,681	173,758	84,857
	23,589,006	19,558,092	60,586,686	50,488,035

19.1 Purchased power

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Purchased power	18,160,207	15,241,043	43,437,236	35,605,453
Less: Power supplied to SPPC under Energy Conversion Agreement	(5,678,619)	(5,117,458)	(14,896,499)	(13,099,209)
	12,481,588	10,123,585	28,540,737	22,506,244

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(All amounts in thousands ﷻ unless otherwise stated)

20. OTHER INCOME, NET

	Three-months ended September 30		Nine-months ended September 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Amortisation of Government grants	34,373	32,002	104,167	108,423
(Loss) / gain on disposal of property, plant and equipment	28,546	(103,816)	(24,803)	35,736
Dividends received on financial assets through other comprehensive income	16,449	4,869	32,991	24,607
Others, net	42,232	195,948	277,605	796,632
	121,600	129,003	389,960	965,398

21. FINANCE COSTS, NET

	Three-months ended September 30		Nine-months ended September 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance expense				
Bank loans and Sukuk	2,547,604	2,463,729	7,278,482	6,569,023
Less: interest capitalised (note 9)	(1,066,472)	(1,054,155)	(3,237,599)	(2,844,919)
	1,481,132	1,409,574	4,040,883	3,724,104
Interest cost on employees' benefit obligation	104,397	82,180	313,191	246,540
Lease contract	11,501	5,231	24,067	10,100
Total finance expense	1,597,030	1,496,985	4,378,141	3,980,744
Finance income				
Interest income	(29,583)	(233,083)	(88,580)	(469,148)
Total finance income	(29,583)	(233,083)	(88,580)	(469,148)
Net finance costs	1,567,447	1,263,902	4,289,561	3,511,596

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(All amounts in thousands ﷲ unless otherwise stated)

22. EARNING PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company less Mudaraba instrument profit by the weighted average number of ordinary shares in issue during the period assuming that all dilutive shares are converted into ordinary shares.

The diluted earnings per share equal to the basic earnings per share for the period ended September 30, 2025 and September 30, 2024 as there are no financial instruments with a dilutive effect on basic earnings per share.

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Profit for the period	5,332,044	6,898,055	11,584,132	12,139,845
Less:				
Profit attributable to Mudaraba Instrument	(2,284,873)	(2,210,021)	(6,672,716)	(6,582,019)
Adjusted profit for the period	3,047,171	4,688,034	4,911,416	5,557,826
Weighted average number of ordinary shares at the period end (in thousands)	4,166,594			
Basic and diluted earnings per share ﷲ	0.73	1.13	1.18	1.33
<u>Earning per share without deducting dividends for the Mudaraba instrument</u>				
Basic and diluted earnings per share ﷲ	1.28	1.66	2.78	2.91

23. RELATED PARTY TRANSACTIONS AND BALANCES

The Group is ultimately controlled by the Government of the Kingdom of Saudi Arabia through the ownership of the main shareholder (Public Investment Fund), Saudi Aramco and Saudi Water Authority and these entities are under common control (all companies ultimately controlled by the Government of the Kingdom of Saudi Arabia). In identifying transactions and balances, the Group has applied the exemption provided in paragraphs 25 to 27 of IAS 24. Accordingly, only those with significant transactions have been disclosed. The following significant transactions were carried out with related parties:

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
a) Operating revenue				
Sales				
- Group's ultimate controlling party	3,937,899	3,836,576	9,371,914	9,227,878
- Entities under control of the Group's ultimate controlling party				
Saudi Power Procurement Company	5,678,618	5,117,458	14,896,499	13,099,209
Saudi Aramco	28,573	64,639	91,537	175,145
Saudi Water Authority	180,414	174,871	533,622	393,671
	9,825,504	9,193,544	24,893,572	22,895,903
Construction revenue				
- Entities under control of the Group's ultimate controlling party				
Saudi Aramco	160,197	50,842	390,327	116,689
	160,197	50,842	390,327	116,689

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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
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23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
b) Purchases of energy				
- Entities under control of the Group's ultimate controlling party				
Saudi Power Procurement Company	18,456,833	15,124,143	43,014,143	35,337,773
	18,456,833	15,124,143	43,014,143	35,337,773

	Three-months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
c) Others				
Group's ultimate controlling party				
Payment from contractual reserve for Mudaraba instrument	4,354,486	-	4,354,486	4,247,690

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

Accounts receivable, gross

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
- Group's ultimate controlling party		
Governmental institutions	9,246,187	6,921,316
- Entities under the control of the Group's ultimate controlling party		
Saudi Power Procurement Company	6,496,470	3,317,326
Saudi Aramco	160,839	201,797
Saudi Water Authority	950,707	1,053,957
	16,854,203	11,494,396

Loans and advances

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
- Entities under the control of the Group's ultimate controlling party		
Saudi Power Procurement Company	4,793,498	-
- Joint ventures and associates		
Al-Fadhli Co-production- loans	232,613	232,613
Global Data Center Company - loans	112,948	95,250
Sidra One Holding Company - loans	480,129	480,129
Qudra One Holding Company - loans	474,534	474,534
	6,093,722	1,282,526

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23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Contract balances

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
- Entities under the control of the Group's ultimate controlling party		
Saudi Aramco – contract assets	329,585	167,709
Saudi Aramco – contract liabilities	1,326,696	1,243,608

Trade payables and accruals

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
- Entities under control of the Group's ultimate controlling party		
Saudi Water Authority	118	118
Government payable expenses	-	57,351
Ministry of Finance	-	6,102,624
Saudi Aramco	127,910	127,910
	128,028	6,288,003

Deferred government grant

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Group's ultimate controlling party		
Ministry of Communication and Information Technology (MCIT)	1,132,060	1,111,954

On July 2, 2025, the Group entered into an agreement with MCIT for the first phase of the Fiber Optics Broadband expansion and enhancement project. The project targets cities with populations exceeding 5,000 and is supported by a subsidy of ﷲ 414.2 million, payable in instalments upon completion of key project milestones as specified in the agreement. Subsidy amounts are released based on the completion and verification of each stage. During the current period, the Group has recognised ﷲ 124.3 million of subsidy receivable and related deferred grant, where actual milestones were achieved.

e) Compensation of key management personnel

Key management personal includes the Board of Directors and members of executive committee. The compensation paid or payable to key management personal for employees services is shown below:

	Three months ended September 30		Nine-months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Salaries, compensation and allowances	3,980	4,619	12,338	13,915
Employees' end of service and other benefits	-	-	14,297	19,411
	3,980	4,619	26,635	33,326

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24. DIVIDENDS

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

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

25. COMPARATIVE FIGURES – RECLASSIFICATION OF SPARE PARTS FROM INVENTORY TO PROPERTY, PLANT AND EQUIPMENT

During the current reporting period, the Group has reassessed the classification of certain spare parts previously presented as Inventory in the comparative financial statements. It was determined that these spare parts are of a capital nature and meet the recognition criteria of Property, Plant and Equipment (PPE) in accordance with IAS 16. Consequently, these spare parts have been reclassified from Inventory to PPE to better reflect their intended use and economic benefit.

This reclassification has been applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the comparative period balances reclassified accordingly to confirm with current period classification.

Impact on the Comparative Statement of financial position

The table below summarises the impact of the reclassification on the comparative period balance sheet as at December 31, 2024:

	As previously reported	Amount of reclassification	Amount after reclassification
Property, plant and equipment, net	500,297,029	2,751,977	503,049,006
Non-current assets	507,738,008	2,751,977	510,489,985
Inventories, net	3,865,380	(2,751,977)	1,113,403
Current assets	39,276,404	(2,751,977)	36,524,427
Total assets	547,014,412	-	547,014,412

Impact on Statement of Profit or Loss, Statement of Other Comprehensive Income, and Statement of changes in equity for the Comparative Period

There is no material effect on the Group's profit or loss, other comprehensive income, or equity resulting from this reclassification, due to the offsetting impact between the inventory provision reversal and the depreciation charge in the comparative prior period.

Impact on Cash Flows for the Comparative Period

The reclassification has resulted in changes to the depreciation charge and provision for the comparative period, as the spare parts are now depreciated as part of PPE rather than expensed through inventory write-downs or provisions. The impact on the comparative period cash flows is summarised below:

	ﷻ
Increase in depreciation expense	74,860
Decrease in provision expense	(74,860)
Net impact on operating cash flows	-

The net impact on cash flows is not material as depreciation is a non-cash expense and provision adjustments do not affect cash flows.

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26. NON-CASH TRANSACTIONS

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

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Transfer of Mudaraba instrument from trade payables to equity	5,687,333	-
Addition in right of use assets	160,243	158,873
Lease liabilities recognized	160,243	158,873
Transferred to intangible assets	158,584	-
Disposal of equity accounted investee	1,000	-
Transferred to investment properties	-	2,786

27. SUBSEQUENT EVENT

Except for below, there have been no significant subsequent events which would require either a disclosure or have a material impact on these interim condensed consolidated financial statements.

- The Group has received a draft Ex post computation in relation to the required revenue and is currently under discussion with the regulator in relation to certain elements of this computation and has accordingly not considered the impact in these interim condensed consolidated financial statements.
- The Group in partnership with EDF Power Solutions International signed power purchase agreements with the Saudi Power Procurement Company for a solar PV power plant project. The financial impact is expected after the project's commercial operation date, which is anticipated to be achieved during the first quarter of 2028.
- The Group signed an agreement to increase its International syndicated loan facility to US\$ 3 billion.
- A joint venture of the Group entered into a financing agreement with multiple local banks for the Qurayyah Independent Power Plant expansion project, securing funding of ﷲ 10.8 billion.

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the nine-months period ended September 30, 2025, were approved for issuance by the Board of Directors of the Group on Jumada Al-Awwal 13, 1447 H (corresponding to November 4, 2025).