SAUDI STEEL PIPES COMPANY (SSPC)

(A Saudi Joint Stock Company)

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

SAUDI STEEL PIPES COMPANY
(A Saudi Joint Stock Company)

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

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders of
Saudi Steel Pipes Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Steel Pipes Company "Saudi Joint Stock Company" ("the Company"), and its Subsidiaries (together "the Group") as of June 30, 2026 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

For Dr. Mohammed Al-Amri & Co.

د. محمد العمري وشركاه - محاسبون قانونيون
شركة مهنية رقم ٣٢٣/١١/٦٦/٢
س.ت ٢٠٥٠١٠٥٨٢٢
Dammam
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Ahmed Aljumah
Certified Public Accountant
Registration No.621

Dammam, on: 30 Safar 1448 (H)
Corresponding to: 13 August, 2026 (G)

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		⃁	⃁
Non-current assets			
Property, plant and equipment, net	5	**804,471,131**	812,686,845
Right-of-use assets, net	6	**16,598,829**	11,825,014
Intangible assets, net		**4,689,551**	5,238,764
Trade and other receivables – non-current	7	**880,772**	1,409,131
Deferred tax asset		**4,070,327**	4,675,144
		830,710,610	835,834,898
Current assets			
Inventories, net		**317,027,539**	408,147,766
Trade and other receivables, net	7	**249,601,161**	251,148,493
Cash and cash equivalents		**225,486,044**	234,242,912
		792,114,744	893,539,171
TOTAL ASSETS		**1,622,825,354**	1,729,374,069
EQUITY AND LIABILITIES			
Equity			
Share capital		**510,000,000**	510,000,000
Share premium		**4,512,330**	4,512,330
Other reserves		**(10,665,025)**	(10,665,025)
Retained earnings		**404,686,082**	360,400,469
Treasury shares		**(11,502,225)**	(11,502,225)
Equity attributable to the shareholders of the Company		**897,031,162**	852,745,549
Non-controlling interests		**345,487,928**	311,797,096
Total equity		**1,242,519,090**	1,164,542,645
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits		**46,543,813**	44,864,024
Lease liabilities	9	**10,491,814**	7,227,259
		57,035,627	52,091,283
Current liabilities			
Borrowings	8	**50,179,672**	268,197,299
Lease liabilities	9	**6,256,166**	4,678,757
Trade and other payables	10	**259,416,792**	227,882,509
Zakat and income tax		**7,418,007**	11,981,576
		323,270,637	512,740,141
TOTAL LIABILITIES		**380,306,264**	564,831,424
TOTAL EQUITY AND LIABILITIES		**1,622,825,354**	1,729,374,069

Mohammad AbdulAziz Al Shayea	**Renwar Berzinji**	**Mohammed Anwar Alshakhouri**
Authorized Director	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026

	Note	Three-Month Period Ended		Six-Month Period Ended	
		June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	**June 30, 2026 (Unaudited)**	June 30, 2025 (Unaudited)
		⃁	⃁	⃁	⃁
Revenue	11	**306,255,449**	336,399,482	**691,565,046**	790,323,430
Cost of revenue		**(233,408,564)**	(256,868,285)	**(509,964,427)**	(601,625,785)
Gross profit		**72,846,885**	79,531,197	**181,600,619**	188,697,645
Selling, marketing and distribution expenses		**(4,158,324)**	(14,816,250)	**(12,051,859)**	(35,699,644)
Administrative expenses		**(14,726,683)**	(13,208,179)	**(27,891,550)**	(26,427,170)
Expected credit loss	7.1	**(7,730,883)**	261,175	**(8,596,683)**	613,034
Other income, net		**495,148**	19,032	**1,416,955**	5,540,464
Operating income		**46,726,143**	51,786,975	**134,477,482**	132,724,329
Lands settlement compensation	16	**-**	53,632,986	**-**	53,632,986
Finance charges, net		**(3,854,238)**	(6,901,384)	**(9,321,030)**	(17,597,799)
Interest income		**1,264,338**	1,349,898	**1,757,178**	2,087,913
Profit before zakat and income tax		**44,136,243**	99,868,475	**126,913,630**	170,847,429
Zakat and income tax expense	13	**(6,114,004)**	(6,918,112)	**(11,030,452)**	(9,229,956)
Profit for the period from continuing operations		**38,022,239**	92,950,363	**115,883,178**	161,617,473
Loss from discontinued operations		**-**	-	**-**	(66,934)
Net profit for the period		**38,022,239**	92,950,363	**115,883,178**	161,550,539
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income		**38,022,239**	92,950,363	**115,883,178**	161,550,539
Total comprehensive income attributable to:					
Shareholders of the Company		**29,846,905**	70,829,883	**82,192,346**	121,059,912
Non-controlling interests		**8,175,334**	22,120,480	**33,690,832**	40,490,627
		38,022,239	92,950,363	**115,883,178**	161,550,539
Earnings / (loss) per share attributable to the Shareholders of the Company:					
Continuing operations:					
Basic earnings per share	14	**0.591**	1.401	**1.626**	2.397
Diluted earnings per share	14	**0.585**	1.389	**1.612**	2.375
Discontinued operations:					
Basic loss per share	14	**-**	-	**-**	(0.001)
Diluted loss per share	14	**-**	-	**-**	(0.001)

Mohammad AbdulAziz Al Shayea	**Renwar Berzinji**	**Mohammed Anwar Alshakhouri**
Authorized Director	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Treasury shares	Total	Non-controlling interests	Total equity
	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁
Balance as at January 1, 2025 (Audited)	510,000,000	4,512,330	75,799,387	(9,066,049)	292,709,392	(11,502,225)	862,452,835	240,622,731	1,103,075,566
Net profit for the period	-	-	-	-	121,059,912	-	121,059,912	40,490,627	161,550,539
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	121,059,912	-	121,059,912	40,490,627	161,550,539
Dividends (note 15)	-	-	-	-	(199,642,128)	-	(199,642,128)	-	(199,642,128)
Balance as at June 30, 2025 (Unaudited)	510,000,000	4,512,330	75,799,387	(9,066,049)	214,127,176	(11,502,225)	783,870,619	281,113,358	1,064,983,977
Balance as at January 1, 2026 (Audited)	**510,000,000**	**4,512,330**	**-**	**(10,665,025)**	**360,400,469**	**(11,502,225)**	**852,745,549**	**311,797,096**	**1,164,542,645**
Net profit for the period	**-**	**-**	**-**	**-**	**82,192,346**	**-**	**82,192,346**	**33,690,832**	**115,883,178**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**82,192,346**	**-**	**82,192,346**	**33,690,832**	**115,883,178**
Dividends (note 15)	**-**	**-**	**-**	**-**	**(37,906,733)**	**-**	**(37,906,733)**	**-**	**(37,906,733)**
Balance as at June 30, 2026 (Unaudited)	**510,000,000**	**4,512,330**	**-**	**(10,665,025)**	**404,686,082**	**(11,502,225)**	**897,031,162**	**345,487,928**	**1,242,519,090**

Mohammad AbdulAziz Al Shayea	**Renwar Berzinji**	**Mohammed Anwar Alshakhouri**
Authorized Director	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	⃁	⃁
Cash flows from operating activities:		
Profit /(loss) before zakat and income tax:		
– continuing operations	**126,913,630**	170,847,429
– discontinued operations	**-**	(66,934)
Adjustments for:		
Depreciation of property, plant and equipment	**36,723,291**	37,250,580
Depreciation of right-of-use assets	**3,468,981**	2,820,395
Amortization of intangible assets	**1,644,380**	1,055,984
Lands settlement compensation	**-**	(53,632,986)
(Gain) / loss on disposal of property, plant and equipment	**(173,998)**	8,385
Allowance / (reversal) for expected credit loss	**8,596,683**	(613,034)
Reversal of provision for inventories	**(483,766)**	(1,325,797)
Provision for employees' end of service benefits	**2,457,477**	2,271,806
Finance charges, net	**9,321,030**	17,597,799
Interest income	**(89,464)**	(95,377)
	188,378,244	176,118,250
Movement in working capital		
Inventories	**91,603,993**	150,428,453
Trade and other receivables	**(10,008,952)**	57,836,717
Trade and other payables	**(4,412,196)**	(118,365,111)
Due to / from related parties	**1,617,170**	(8,182,885)
Cash generated from operations	**267,178,259**	257,835,424
Zakat and income tax paid	**(14,989,202)**	(10,553,397)
Employees' end of service benefits paid	**(1,794,953)**	(1,644,548)
Finance charges paid	**(14,652,963)**	(18,501,562)
Net cash generated from operating activities	**235,741,141**	227,135,917
Cash flows from investing activities:		
Additions to property, plant and equipment and intangible assets	**(29,831,024)**	(16,427,929)
Proceeds from lands settlement	**-**	211,482,986
Proceeds from property, plant and equipment	**402,278**	-
Net cash (used in) / generated from investing activities	**(29,428,746)**	195,055,057
Cash flows from financing activities:		
Repayment of borrowings, net	**(211,334,809)**	(268,338,255)
Payment of lease liabilities	**(3,734,454)**	(2,983,408)
Dividends paid	**-**	(199,642,128)
Net cash used in financing activities	**(215,069,263)**	(470,963,791)
Net change in cash and cash equivalents	**(8,756,868)**	(48,772,817)
Cash and cash equivalents at the beginning of the period	**234,242,912**	176,215,474
Cash and cash equivalents at the end of the period	**225,486,044**	127,442,657

Mohammad AbdulAziz Al Shayea	**Renwar Berzinji**	**Mohammed Anwar Alshakhouri**
Authorized Director	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statement

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Steel Pipes Company ("the Company or SSPC") was initially incorporated as a limited liability company in the Kingdom of Saudi Arabia under the commercial registration number 2050009144 dated 27 Rajab 1400 (corresponding to June 11, 1980). On 4 Rajab 1430 (corresponding to June 27, 2009), the Company's legal status was transformed from a limited liability company to joint stock company (listed on the stock exchange).

The parent company of Saudi Steel Pipes Company ("SSPC") is Tenaris Saudi Arabia. The ultimate parent company of SSPC is San Faustn SA.

As described in note 2, the interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary Global Pipe Company ("GPC") (collectively referred to as "the Group").

The Group's authorized and issued share capital after the initial public offering is ⃁ 510 million divided into 51 million shares at ⃁ 10 per share.

The Group's registered office is located at P.O Box 11680, Dammam 31463, Kingdom of Saudi Arabia.

The principal activities of the Group are the manufacturing and wholesale of black and galvanized steel pipes, production of ERW/HFI galvanized and threaded steel pipes and seamless pipes, pipes with three-layer external coating by polyethylene and polypropylene in different diameters, pipes with epoxy coating inside, bended pipes in different diameters, space frame, and submerged arc welded pipes, wholesale of pipes, tubes and hollow shapes from iron and steel, ferrous and non-ferrous metal pipes and accessories, locks, hinges and other hand tools, wholesale of other metal accessories, locks, hinges and hand tools, wholesale of other construction and metal materials.

2. STRUCTURE OF THE GROUP

The interim condensed consolidated financial statements as at June 30, 2026 include the financial statements of the Company and its following subsidiary:

		Effective ownership	
Name of consolidated subsidiary	**Principal activity**	**June 30, 2026**	June 30, 2025
Global Pipe Company ("GPC")	Production of welded Pipes	**57.27%**	57.27%

GPC
GPC is a closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 2055011330 dated 20 Muharram 1431H (corresponding to January 6, 2010 G). GPC is located in Jubail industrial city and is engaged in the production of welded pipes with different sizes and diameters, stainless steel pipes, 3-D pipe fittings, Aluminium alloy pipes, high-density welded pipes and diameters.

The following company was excluded from the consolidation of financial statements due to loss of control upon its entry into liquidation:

		Effective ownership	
Name of deconsolidated subsidiary	**Principal activity**	**June 30, 2026**	June 30, 2025
Titanium and Steel Manufacturing Company Limited ("TSM Arabia")	Manufacture Stationary process equipment	**100%**	100%

TSM Arabia was formed under commercial registration number 2050073985 dated 4 Safar 1432H (corresponding to January 8, 2011 G) in the Kingdom of Saudi Arabia, to produce stationary process equipment such as heat exchangers and pressure vessels. The subsidiary's total share capital is ⃁ 32 million of which the Group owns 100%. On April 30th, 2025 the board of directors passed a resolution to commence the liquidation of TSM, consequently, control over TSM was lost based on the Group's assessment. As a result, TSM was deconsolidated from the Group's interim condensed consolidated financial statements effective April 30, 2025. No further results of operations, assets, or liabilities of TSM Arabia are included in the Group's interim condensed consolidated financial statements from the date of deconsolidation.

3. BASIS OF PREPARATION

These interim condensed consolidated financial statements of the Group have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's latest annual consolidated financial statements for the year ended December 31, 2025 ("latest annual consolidated financial statements"). These interim condensed consolidated financial statements do not include all of the information required for a complete set of consolidated financial statements.

4. MATERIAL ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its latest annual consolidated financial statements, except for the following amendments which apply for the first time in 2026. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

4.1 Standards and amendments issued and applied effective in current period

There are no new standards issued, however, there are amendments to the following standards, which are effective in current period and have no material impact on Group's interim condensed consolidated financial statement;

Amendments to standard	Description	Effective for annual years beginning on or after
IFRS 9 & IFRS 7	Amendments - Classification and Measurement of Financial Instruments	January 1, 2026

4.2 Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2026 (the date of the Group's next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted, except the impact of IFRS 18 "Presentation and Disclosure in Financial Statements", The Group is assessing the impact of these standard on the Group's consolidated financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements", was issued by the International Accounting Standards Board (IASB) in April 2024. The standard replaces IAS 1, Presentation of Financial Statements, and introduces a number of consequential amendments to other IFRS Accounting Standards, including IAS 8, which has been renamed Basis of Preparation of Financial Statements (formerly Accounting Policies, Changes in Accounting Estimates and Errors).

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group has not early adopted IFRS 18 in the preparation of this interim condensed consolidated financial statement.

The Group is in the process of assessing the expected impact of the initial application of IFRS 18 on its consolidated financial statements. Based on the assessment performed to date, the expected impact is summarized below.

i) Structure of the statement of profit or loss

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

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

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Impact of accounting standards to be applied in future periods (Continued)

i) Structure of the statement of profit or loss (Continued)

a) In accordance with the classification requirements of IFRS 18, finance costs will be presented within the financing category, while interest income will be presented within the investing category, as the Group does not have a specified main business activity of investing in assets or providing financing to customers. Accordingly, the presentation of these items in the statement of profit or loss will change upon adoption of IFRS 18.

b) Net foreign exchange losses are currently included and presented in other income, net. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

ii) Management defined performance measures (MPMs)

IFRS 18 introduces disclosure requirements for management-defined performance measures (MPMs). MPMs are sub-totals of income and expenses that are used in public communications outside the financial statements to communicate management’s view of an aspect of the Group’s financial performance as a whole. Subtotals and totals specifically required by IFRS Accounting Standards, together with those identified in IFRS 18 as not being MPMs, are excluded from the definition of MPMs.

Where the Group reports MPMs, IFRS 18 will require the related disclosures to be presented in a single note to the consolidated financial statements. These disclosures include, among other things, an explanation of each MPM, why management considers it useful, how it is calculated, and a reconciliation to the most directly comparable subtotal or total specified by IFRS.

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

iii) Principles of aggregation and disaggregation

IFRS 18 introduces enhanced requirements for the aggregation and disaggregation of information presented in the primary financial statements and disclosed in the notes. The objective of these requirements is to ensure that the information provided is presented in a way that results in useful structured summaries in the primary financial statements and material information is appropriately disclosed in the notes. IFRS 18 also provides guidance on the labelling and description of line items presented in the primary financial statements and disclosed in the notes.

The Group is currently assessing the impact of these new presentation and disclosure requirements. Based on the assessment performed to date, the Group expects changes to the aggregation and disaggregation of certain line items and, where appropriate, to enhance the descriptions of line items, including those currently presented as "other", to provide more informative and meaningful descriptions.

iv) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7 Statement of Cash Flows, requiring entities that present cash flows from operating activities using the indirect method to use operating profit as the starting point for the reconciliation of cash flows from operating activities. The Group currently uses profit before zakat and income tax for the period as the starting point for this reconciliation. Accordingly, certain reconciling items are expected to change upon adoption of IFRS 18.

The consequential amendments to IAS 7 also introduce specific requirements for the classification of interest and dividend cash flows. As the Group does not have a specified main business activity of investing in assets or providing financing to customers, cash flows from interest paid will be classified as financing activities, and cash flows from interest received will be classified as investing activities. This represents a change from the Group's current presentation, under which both interest paid and interest received are classified as operating activities. Cash flows from dividends paid will continue to be classified as financing activities.

5. PROPERTY, PLANT AND EQUIPMENT, NET

Carrying amounts of:

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
		⃁	⃁
Operating fixed assets	5.1	**788,520,920**	808,733,369
Capital work-in-progress (CWIP)	5.3	**15,950,211**	3,953,476
		804,471,131	812,686,845

5.1 Operating fixed assets

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
		⃁	⃁
Net book value at beginning of period / year		**808,733,369**	1,014,758,648
Transferred from CWIP during the period / year	5.2	**16,739,122**	26,208,383
Write off /disposals during the period / year		**(228,280)**	(10,887)
Lands settlement during the period / year	16	**-**	(157,850,000)
Depreciation charged during the period / year - continuing operations		**(36,723,291)**	(74,372,775)
Net book value at the end of the period / year		**788,520,920**	808,733,369

5.2 Transfers from capital work-in-progress to operating fixed assets during the period / year are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Machinery and equipment	**14,322,783**	17,733,280
Building on leasehold land	**1,857,380**	8,475,103
Furniture and fixtures	**320,154**	-
Office equipment	**238,805**	-
	16,739,122	26,208,383

5.3 Capital work-in-progress

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
At beginning of period / year	**3,953,476**	2,214,189
Additions during the period / year	**28,735,857**	31,210,232
Transferred to operating fixed assets during the period / year	**(16,739,122)**	(26,208,383)
Transferred to intangible assets during the period / year	**-**	(3,262,562)
At the end of the period / year	**15,950,211**	3,953,476

6. RIGHT-OF-USE ASSETS, NET

Movement in right-of-use assets is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Net book value at beginning of period / year	**11,825,014**	10,185,592
Additions during the period / year	**8,037,760**	3,526,395
Depreciation charged during the period / year - continuing operations	**(3,468,981)**	(5,952,064)
Lease modification during the period / year	**205,036**	4,065,091
Net book value at the end of the period / year	**16,598,829**	11,825,014

7. TRADE AND OTHER RECEIVABLES, NET

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
		⃁	⃁
Trade receivables		**229,113,385**	227,528,197
Allowance for expected credit loss (ECL)	7.1	**(13,554,415)**	(5,069,601)
Trade receivables, net		**215,558,970**	222,458,596
Due from related parties	12 A	**8,133,696**	11,711,120
Receivable from TSM		**1,098,237**	1,009,592
Employee loans		**2,533,388**	1,894,262
Prepayments and advances to suppliers		**22,125,997**	13,824,120
Other receivables		**1,031,645**	1,659,934
		250,481,933	252,557,624
Less: non-current portion of employee loans and other receivables		**(880,772)**	(1,409,131)
Total current portion, net		**249,601,161**	251,148,493

7.1 Movement in the allowance for ECL of trade receivables is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Opening balance for the period / year	**5,069,601**	6,127,943
Allowance / (reversal) for the period / year – continuing operations	**8,596,683**	(819,665)
Utilized against receivables written off – continuing operations	**(111,869)**	(238,677)
Closing balance for the period / year	**13,554,415**	5,069,601

8. BORROWINGS

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Current borrowings	**50,179,672**	268,197,299
Total borrowings	**50,179,672**	268,197,299

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Term loans		
Saudi Awwal Bank (SAB)	**16,360,000**	34,960,000
	16,360,000	34,960,000
Current portion – term loans	**(16,360,000)**	(34,960,000)
	-	-
Current loans		
Murabaha financing – short term	**33,819,672**	233,237,299
Current portion – term loans	**16,360,000**	34,960,000
	50,179,672	268,197,299

9. LEASE LIABILITIES

The contractual maturity of lease liabilities is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Within one year	**7,318,610**	5,094,962
Years two to five	**10,422,222**	5,902,120
Years five and above	**1,080,012**	2,160,023
Minimum lease payments	**18,820,844**	13,157,105
Less: finance charges	**(2,072,864)**	(1,251,089)
Net minimum lease payments	**16,747,980**	11,906,016
Non-current portion	**10,491,814**	7,227,259
Current portion	**6,256,166**	4,678,757

10. TRADE AND OTHER PAYABLES

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
		⃁	⃁
Trade payables		**119,825,753**	105,530,120
Accrued expenses		**28,275,860**	17,589,423
Due to related parties	12 B	**22,878,083**	24,838,337
Board and committees’ remuneration payable		**2,326,073**	2,909,000
Advances from customers		**35,799,790**	26,886,463
Retention payable		**760,046**	760,046
Value added Tax (VAT) payable		**8,460,863**	16,377,000
Dividends payable	15	**37,906,733**	-
Other payables		**3,183,591**	32,992,120
		259,416,792	227,882,509

11. SEGMENTAL REPORTING

During 2025, the board of directors passed a resolution to commence the liquidation of its wholly owned subsidiary TSM Arabia which resulted in the loss of control based on the Group's assessment and its deconsolidation from the Group’s interim condensed consolidated financial statements, accordingly, the Company and GPC constitute 100% of the revenue and operations of the Group.

Geographical segment

A geographical segment is a Group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group’s operations are conducted mainly in the Kingdom of Saudi Arabia.

The selected financial information covering the revenue for the six-month period ended June 30, categorized by these geographic segments is as follows:

	Six-Month Period Ended June 30, 2026 (Unaudited)	Six -Month Period Ended June 30, 2025 (Unaudited)
	⃁	⃁
Saudi Arabia	**675,194,195**	760,109,391
Other countries	**16,370,851**	30,214,039
	691,565,046	790,323,430

11.1 Transactions with major customers

Revenue from two major customers and one major related party accounted for 86% of the total revenue for the period (87% for the six-month period ended June 30, 2025)

12. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties consist of the shareholders, directors and businesses in which shareholders and directors, individually or combined, have significant influence. The Group’s transactions with related parties are entered in a normal course of business and are authorized by the management.

Company	**Relationship**
San Faustn SA.	Ultimate Parent
Tenaris Saudi Arabia Limited	Shareholder
Husteel Company Ltd.	Shareholder
Chemical Development Company	Investee
Dalmine S.P.A.	Affiliate
Tenaris Global Services S.A.	Affiliate
Exiros Saudi Arabia Limited	Affiliate
Siderca S.A.I.C.	Affiliate
Tenaris Connections B.V.	Affiliate
Testing and Technical Solutions AR S.A	Affiliate
Tenaris Bay City, Inc.	Affiliate
Tenaris Global Services and Investments S.A.R.L.	Affiliate
Silcotub S.A.	Affiliate
Tenaris Solutions East SRL.	Affiliate
Bredero Shaw Mexico, S.A. DE C.V.	Affiliate
Confab Industrial S.A.	Affiliate
Tubos De Acero De Mexico S.A. DE C.V.	Affiliate

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The significant transactions with related parties during the period are as follows:

Related party	Nature of transaction	Six-month period ended June 30, 2026 (Unaudited)	June 30, 2025 (Un-audited)
		⃁	⃁
Sales and services provided by the Group:			
Tenaris Global Services S.A.	Sales	**9,591,524**	51,291
Tenaris Saudi Arabia Limited	Sales	**11,507,294**	5,819,472
Tenaris Saudi Arabia Limited	Services	**3,619,416**	2,934,515
Tenaris Global Services and Investments S.A.R.L.	Sales	**2,758,065**	30,138,781
Purchases and services received by the Group:			
Dalmine S.P.A.	Technical services	**9,390**	953,822
Dalmine S.P.A.	IT services	**562,723**	1,186,908
Exiros Saudi Arabia Limited	Services	**2,149,116**	1,833,037
Tenaris Saudi Arabia Limited	Services	**1,221,887**	1,765,503
Tenaris Saudi Arabia Limited	IT Services	**-**	31,639
Tenaris Saudi Arabia Limited	Technical services	**662,915**	181,183
Tenaris Connections B.V.	Royalties	**3,409,247**	198,099
Tenaris Connections B.V.	Technical services	**38,028**	-
Siderca S.A.I.C.	Technical services	**392,454**	73,511
Siderca S.A.I.C.	IT services	**265,984**	88,684
Tenaris Global Services S.A.	Purchases	**-**	57,528
Tenaris Global Services S.A.	Services	**445,815**	-
Tenaris Global Services and Investments S.A.R.L.	Purchases	**7,556,522**	840,955
Tenaris Bay City, Inc.	Technical services	**1,003,560**	1,114,920
Tenaris Bay City, Inc.	IT Service	**-**	2,057
Silcotub S.A.	Services	**-**	358,463
Tenaris Solutions East SRL.	Services	**-**	41,157
Confab Industrial S.A.	Technical services	**286,652**	849,020

A) Amounts receivable from related parties are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Tenaris Saudi Arabia Limited	**7,947,933**	3,841,383
Tenaris Global Services and Investments S.A.R.L.	**185,763**	7,869,737
	8,133,696	11,711,120

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

B) Amounts payable to related parties are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	⃁	⃁
Tenaris Global Services S.A.	**446,480**	460,036
Tenaris Saudi Arabia Limited	**5,179,198**	6,041,929
Exiros Saudi Arabia Limited	**1,774,104**	1,611,590
Siderca S.A.I.C.	**3,762,015**	3,101,109
Dalmine S.P.A.	**2,337,549**	2,594,607
Husteel Company Ltd.	**-**	79,669
Tenaris Connections B.V.	**3,422,257**	263,471
Silcotub S.A.	**59,041**	458,539
Tenaris Bay City, Inc.	**2,122,828**	1,480,718
Testing and Technical Solutions AR S.A.	**133,205**	132,927
Tenaris Global Services and Investments S.A.R.L.	**1,725,203**	4,576,818
Bredero Shaw Mexico, S.A. DE C.V.	**-**	1,031,470
Tubos De Acero De Mexico Sa De C.V.	**1,629,133**	1,626,703
Confab Industrial S.A.	**287,070**	1,378,751
	22,878,083	24,838,337

C) Remuneration of Board and Committee members and key management personnel:

	Six-Month Period Ended June 30, 2026 (Un-audited)		Six-Month Period Ended June 30, 2025 (Un-audited)	
	Board and Committee members	**Key management personnel**	**Board and Committee members**	Key management personnel
	⃁	⃁	⃁	⃁
Remuneration	**1,552,900**	**-**	1,235,000	-
Salaries and wages	**-**	**1,822,821**	-	1,694,683
Allowances	**-**	**1,027,897**	-	1,341,747
End of service	**-**	**162,516**	-	240,096
	1,552,900	**3,013,234**	1,235,000	3,276,526

13. ZAKAT AND INCOME TAX EXPENSE

	Six-Month Period Ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Un-audited)
	⃁	⃁
Current zakat and income tax	**10,425,635**	7,660,456
Deferred tax expense	**604,817**	1,569,500
	11,030,452	9,229,956

14. EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share is calculated by dividing the earnings / (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. With regard to diluted earnings / (loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, which includes conversion of treasury shares into ordinary shares.

Earnings / (loss) per share are represented as follows:

	Three-Month Period Ended		**Six-Month Period Ended**	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit / (loss) for the period attributable to the shareholders of the Company:				
From continuing operations	**29,846,905**	70,829,883	**82,192,346**	121,126,846
From discontinued operations	**-**	-	**-**	(66,934)
	29,846,905	70,829,883	**82,192,346**	121,059,912
Basic earnings / (loss) per share:				
From continuing operations	**0.591**	1.401	**1.626**	2.397
From discontinued operations	**-**	-	-	(0.001)
Weighted average number of out-standing shares	**50,542,311**	50,542,311	**50,542,311**	50,542,311
Diluted earnings / (loss) per share:				
From continuing operations	**0.585**	1.389	**1.612**	2.375
From discontinued operation	**-**	-	-	(0.001)
Adjusted weighted average number of outstanding shares	**51,000,000**	51,000,000	**51,000,000**	51,000,000
Reconciliation of weighted average number of outstanding shares				
Weighted average number of out-standing shares	**50,542,311**	50,542,311	**50,542,311**	50,542,311
Add: Treasury shares	**457,689**	457,689	**457,689**	457,689
Adjusted weighted average number of outstanding shares	**51,000,000**	51,000,000	**51,000,000**	51,000,000

15. DIVIDENDS

On May 19, 2026**,** the Board of Directors recommended regular cash dividends of ⃁ 37.9 million (⃁ 0.75 per share) for the year ended December 31, 2025 which was approved by the General Assembly of the Company on June 25, 2026. Subsequent to the reporting period, the Company paid the approved dividends to its shareholders.

On May 07, 2025, the Board of Directors recommended regular cash dividends of ⃁ 50.5 million (⃁ 1 per share) for the year ended December 31, 2024 and extraordinary cash dividends from retained earnings amounting to ⃁ 149.1 million (⃁ 2.95 per share), which were approved by the General Assembly of the Company on June 04, 2025. In addition, both types of dividends were paid to the shareholders before the period ended June 30, 2025.

16. DEVELOPMENT ON THE COMPANY LAND PLOTS WITH INACTIVE TITLE DEEDS

In early 2021, the Company learned through the Saudi Ministry of Justice's online portal that the electronic title deeds of plots of land owned by the Company with total cost of ⃁ 157.9 million had become inactive due to cancellation by a court order.

The affected plots of land, with a total surface area of 811,284 square meters, are located in Dammam, and were purchased in February 2010 pursuant to a written purchase agreement duly executed by the Company in full compliance with the laws of the Kingdom of Saudi Arabia ("the Land Purchase Transaction").

On April 28, 2025, the Company concluded a settlement with the sellers of the plots of land, pursuant to which the Land Purchase Transaction was unwound, and the sellers paid to the Company an aggregate amount of ⃁ 211.5 million in cash which resulted in recording a net settlement compensation of ⃁ 53.6 million. Additionally, the sellers released the Company from any claim on the plots of land or its title deeds and assumed all rights and obligations related to its pending petition with the Ministry of Justice.

17. GEOPOLITICAL DEVELOPMENT

The Group continues to closely monitor regional geopolitical developments and evaluate any potential consequences for its operations and financial position. Based on the available information and management's assessment to date, these developments have not resulted in any material adverse impact on the Group's manufacturing operations and assets being in the Kingdom of Saudi Arabia or its financial performance, nor on the Group's exports which represented a non-material portion of its overall business.

Accordingly, no material adjustments or disclosures were required in respect of these developments in the Group's condensed interim consolidated financial statements for the period ended June 30, 2026. Management will continue to monitor and assess the situation, supply routes, logistics costs, and its potential implications, and will reflect any material impacts in future reporting periods as appropriate.

18. RECLASSIFICATION

The comparative period amounts, as set out below, have been reclassified to enhance consistency and conform with the current period presentation. This reclassification resulted in a change in the presentation of gross profit and operating income; however, it had no impact on net profit or the reported results for the period.

Interim consolidated statement of profit or loss and other comprehensive income

Reclassification from	**Reclassification to**	Three-month period ended June 30, 2025 (Unaudited)	Six-month period ended June 30, 2025 (Unaudited)
Cost of revenue	Finance charges, net	202,237	404,474
Administrative expenses	Finance charges, net	314,095	628,190

This reclassification does not affect previously reported profit for the three-month and six-month periods ended June 30, 2026 in the interim consolidated statement of profit or loss and other comprehensive income and the previously reported cash flows from operating activities in the statement of cash flows for the period then ended.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on August 05, 2026.