

SAUDI STEEL PIPES COMPANY (SSPC)
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH
PERIODS ENDED JUNE 30, 2025 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, 2025
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, 2025 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.



Ahmed Aljumah
Certified Public Accountant
Registration No.621

Damman, on: 11 Safar 1447 (H)
Corresponding to: 05 August, 2025 G

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
ASSETS		ﷲ	ﷲ
Non-current assets			
Property, plant and equipment, net	5	835,049,316	1,016,972,837
Right-of-use assets, net	6	10,236,398	10,185,592
Intangible assets, net		6,304,183	4,117,680
Trade and other receivables – non-current	7	1,258,526	1,571,938
Deferred tax asset		5,296,087	6,865,587
		858,144,510	1,039,713,634
Current assets			
Inventories, net		303,939,918	453,042,574
Trade and other receivables, net	7	297,914,311	347,275,752
Cash and cash equivalents		127,442,657	176,215,474
		729,296,886	976,533,800
TOTAL ASSETS		1,587,441,396	2,016,247,434
EQUITY AND LIABILITIES			
Equity			
Share capital		510,000,000	510,000,000
Share premium		4,512,330	4,512,330
Statutory reserve		75,799,387	75,799,387
Other reserves		(9,066,049)	(9,066,049)
Retained earnings		214,127,176	292,709,392
Treasury shares		(11,502,225)	(11,502,225)
Equity attributable to the shareholders of the Company		783,870,619	862,452,835
Non-controlling interests		281,113,358	240,622,731
Total equity		1,064,983,977	1,103,075,566
LIABILITIES			
Non-current liabilities			
Borrowings – non-current	8	16,360,000	42,825,000
Employees’ end of service benefits		41,131,319	39,471,397
Lease liabilities	9	7,196,163	6,394,077
		64,687,482	88,690,474
Current liabilities			
Borrowings - current	8	252,065,126	496,111,777
Lease liabilities	9	3,164,214	3,841,536
Trade and other payables	10	193,129,004	315,448,535
Zakat and income tax		9,411,593	9,079,546
		457,769,937	824,481,394
TOTAL LIABILITIES		522,457,419	913,171,868
TOTAL EQUITY AND LIABILITIES		1,587,441,396	2,016,247,434

Mohammad AbdulAziz Al Shayea

Authorized Director

Renwar Berzinji

Chief Executive Officer

**Mohammed Anwar Alshak-
houri**

Chief Financial Officer

The accompanying notes 1 to 17 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, 2025**

	Note	Three-Month Period Ended		Six-Month Period Ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		ﷲ	ﷲ	ﷲ	ﷲ
Revenue	11	336,399,482	472,398,637	790,323,430	987,337,629
Cost of revenue		(257,070,522)	(367,175,725)	(602,030,259)	(775,288,787)
Gross profit		79,328,960	105,222,912	188,293,171	212,048,842
Selling, marketing and distribution expenses		(14,816,250)	(6,074,115)	(35,699,644)	(12,350,145)
Administrative expenses		(13,522,274)	(12,300,599)	(27,055,360)	(24,044,507)
Reversal / (allowance) for expected credit loss	7.1	261,175	13,748	613,034	(183,069)
Other income, net		19,032	570,442	5,540,464	1,848,831
Operating income		51,270,643	87,432,388	131,691,665	177,319,952
Lands settlement compensation	16	53,632,986	-	53,632,986	-
Finance charges, net		(6,385,052)	(9,443,470)	(16,565,135)	(19,037,236)
Interest income		1,349,898	200,401	2,087,913	558,686
Profit before zakat and income tax		99,868,475	78,189,319	170,847,429	158,841,402
Zakat and income tax expense	13	(6,918,112)	(6,559,234)	(9,229,956)	(10,885,772)
Profit for the period from continuing operations		92,950,363	71,630,085	161,617,473	147,955,630
(Loss) / Profit from discontinued operations		-	44,654	(66,934)	40,606
Net profit for the period		92,950,363	71,674,739	161,550,539	147,996,236
Other comprehensive income		-	-	-	-
Total comprehensive income		92,950,363	71,674,739	161,550,539	147,996,236
Total comprehensive income attributable to:					
Shareholders of the Company		70,829,883	51,763,121	121,059,912	107,870,285
Non-controlling interests		22,120,480	19,911,618	40,490,627	40,125,951
		92,950,363	71,674,739	161,550,539	147,996,236
Earnings / (loss) per share attributable to the Shareholders of the Company:					
<u>Continuing operations:</u>					
Basic earnings per share	14	1.401	1.023	2.397	2.133
Diluted earnings per share	14	1.389	1.014	2.375	2.114
<u>Discontinued operations:</u>					
Basic (loss) / earnings per share	14	-	0.001	(0.001)	0.001
Diluted (loss) / earnings per share	14	-	0.001	(0.001)	0.001

Mohammad AbdulAziz Al Shayea
Authorized Director

Renwar Berzinji
Chief Executive Officer

Mohammed Anwar Alshakhouri
Chief Financial Officer

The accompanying notes 1 to 17 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, 2025**

	Share capital ﷲ	Share premium ﷲ	Statutory reserve ﷲ	Other reserves ﷲ	Retained earnings ﷲ	Treasury shares ﷲ	Total ﷲ	Non-con- trolling in- ﷲ	Total equity ﷲ
Balance as at January 1, 2024 (Audited)	510,000,000	4,512,330	75,799,387	(6,516,336)	149,578,747	(11,502,225)	721,871,903	171,995,970	893,867,873
Net profit for the period	-	-	-	-	107,870,285	-	107,870,285	40,125,951	147,996,236
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	107,870,285	-	107,870,285	40,125,951	147,996,236
Dividend	-	-	-	-	(37,500,000)	-	(37,500,000)	-	(37,500,000)
Balance as at June 30, 2024 (Un- audited)	510,000,000	4,512,330	75,799,387	(6,516,336)	219,949,032	(11,502,225)	792,242,188	212,121,921	1,004,364,109
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
Dividend (note 15)	-	-	-	-	(199,642,128)	-	(199,642,128)	-	(199,642,128)
Balance as at June 30, 2025 (Un- audited)	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

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SAUDI STEEL PIPES COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

	June 30, 2025 (Un-audited) ﷲ	June 30, 2024 (Un-audited) ﷲ
<u>Cash flows from operating activities:</u>		
Profit before zakat and income tax:		
– continuing operations	170,847,429	158,841,402
– discontinued operations	(66,934)	74,809
Adjustments for:		
Depreciation of property, plant and equipment	37,250,580	31,981,101
Depreciation of right-of-use assets	2,820,395	1,497,964
Amortization of intangible assets	1,055,984	50,360
Lands settlement compensation	(53,624,601)	-
(Reversal of) / allowance for expected credit loss	(613,034)	183,069
Reversal of provision for inventories	(1,325,797)	(2,690,402)
Provision for employees' end of service benefits	3,304,470	3,152,471
Finance charges	16,565,135	19,037,236
Interest income	(95,377)	(20,664)
	176,118,250	212,107,346
Movement in working capital		
Inventories	150,428,453	335,080,140
Trade and other receivables	57,836,717	(201,818,954)
Trade and other payables	(118,365,111)	(309,540,592)
Due to / from related parties	(8,182,885)	5,391,636
Cash generated from operations	257,835,424	41,219,576
Zakat and income tax paid	(10,553,397)	(18,514,895)
Employees' end of service benefits paid	(1,644,548)	(1,088,125)
Finance charges paid	(18,501,562)	(22,279,433)
Net cash generated from / (used in) operating activities	227,135,917	(662,877)
<u>Cash flows from investing activities:</u>		
Additions to property, plant and equipment and intangible assets	(16,427,929)	(15,208,216)
Proceeds from lands settlement	211,482,986	-
Net cash generated from / (used in) investing activities	195,055,057	(15,208,216)
<u>Cash flows from financing activities:</u>		
Repayment of borrowings, net	(268,338,255)	(90,630,541)
Payment of lease liabilities	(2,983,408)	(962,340)
Dividend paid	(199,642,128)	-
Net cash used in financing activities	(470,963,791)	(91,592,881)
Net change in cash and cash equivalents	(48,772,817)	(107,463,974)
Cash and cash equivalents at the beginning of the period	176,215,474	209,165,190
Cash and cash equivalents at the end of the period	127,442,657	101,701,216

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Authorized Director

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The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

SAUDI STEEL PIPES COMPANY
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Steel Pipes Company (“the Company”) 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).

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 ﷲ 510 million divided into 51 million shares at ﷲ 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, 2025 include the financial statements of the Company and its following subsidiary:

<u>Name of consolidated subsidiary</u>	<u>Principal activity</u>	<u>Effective ownership</u>	
		<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
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 following a resolution by the Board of Directors to liquidate it:

<u>Name of deconsolidated subsidiary</u>	<u>Principal activity</u>	<u>Effective ownership</u>	
		<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
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 ﷲ 32 million of which the Group owns 100%. On April 30th, 2025 the board of directors passed a resolution to liquidate the company, 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

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, 2024 (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 2025. 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
IAS 21	Amendments - Lack of Exchangeability	January 1, 2025

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, 2025 (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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

5. PROPERTY, PLANT AND EQUIPMENT, NET

Carrying amounts of:

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	Note	ﷲ	ﷲ
Operating fixed assets	5.1	833,726,649	1,014,758,648
Capital work-in-progress (CWIP)	5.3	1,322,667	2,214,189
		835,049,316	1,016,972,837

5.1 Operating fixed assets

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	Note	ﷲ	ﷲ
Net book value at beginning of period / year		1,014,758,648	819,957,944
Transferred from CWIP during the period / year	5.2	14,076,966	269,340,800
Lands Settlement during the period / year	16	(157,858,385)	-
Depreciation charged during the period / year - continuing operations		(37,250,580)	(74,540,096)
Net book value at the end of the period / year		833,726,649	1,014,758,648

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

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		ﷲ	ﷲ
Machinery and equipment		9,083,399	247,109,057
Building on leasehold land		3,452,970	21,600,777
Furniture and fixtures		1,540,597	-
Office equipment		-	349,426
Vehicles		-	281,540
		14,076,966	269,340,800

As of June 30, 2025, the transfer from capital work-in-progress represents mainly cost related to the newly commissioned three roll bending line.

5.3 Capital work-in-progress

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		ﷲ	ﷲ
At beginning of period / year		2,214,189	235,054,155
Additions during the period / year		13,185,444	36,500,834
Transferred to operating fixed assets during the period / year		(14,076,966)	(269,340,800)
At the end of the period / year		1,322,667	2,214,189

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

6. RIGHT-OF-USE ASSETS, NET

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

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Net book value at beginning of period / year	10,185,592	11,015,120
Additions during the period / year	2,313,599	2,016,409
Depreciation charged during the period / year - continuing operations	(2,820,395)	(3,745,937)
Impact of lease modification	557,602	900,000
Net book value at the end of the period / year	10,236,398	10,185,592

7. TRADE AND OTHER RECEIVABLES, NET

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Trade receivables	251,848,526	306,996,995
Allowance for expected credit loss (ECL)	(5,276,233)	(6,127,943)
Trade receivables, net	246,572,293	300,869,052
Due from related parties	27,610,073	20,156,620
Receivable from TSM	1,101,318	-
Employee loans	2,158,489	2,196,476
Prepayments and advances to suppliers	20,121,668	17,781,119
Other receivables	1,608,996	2,586,174
Value added tax (VAT)	-	5,258,249
	299,172,837	348,847,690
Less: non-current portion of employee loans and other receivables	(1,258,526)	(1,571,938)
Total current portion, net	297,914,311	347,275,752

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

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Opening balance for the period / year	6,127,943	7,235,477
Reversal of allowance for the period / year – Continuing operations	(613,034)	(1,075,343)
Utilized against receivables written off – Continuing operations	(238,676)	(32,191)
Closing balance for the period / year	5,276,233	6,127,943

8. BORROWINGS

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Non-current borrowings	16,360,000	42,825,000
Current borrowings	252,065,126	496,111,777
Total borrowings	268,425,126	538,936,777

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

8. BORROWINGS (CONTINUED)

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
<u>Term loans</u>		
The Saudi Investment Bank (SAIB)	-	16,942,004
SIDF – II	-	18,750,000
Saudi Awwal Bank (SAB)	51,768,536	96,417,387
SIDF – III	15,136,500	29,213,501
	66,905,036	161,322,892
Current portion – term loans	(50,545,036)	(118,497,892)
	16,360,000	42,825,000
<u>Current loans</u>		
Murabaha financing – short term	201,520,090	377,613,885
Current portion – term loans	50,545,036	118,497,892
	252,065,126	496,111,777

9. LEASE LIABILITIES

The contractual maturity of leases liabilities is as follows:

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Within one year	3,516,697	4,174,883
Years two to five	5,377,573	4,692,660
Years five and above	2,700,030	2,700,030
Minimum lease payments	11,594,300	11,567,573
Less: finance charges	(1,233,923)	(1,331,960)
Net minimum lease payments	10,360,377	10,235,613
Non-current portion	7,196,163	6,394,077
Current portion	3,164,214	3,841,536

10. TRADE AND OTHER PAYABLES

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Trade payables	88,004,702	156,784,558
Accrued expenses	30,317,421	21,776,467
Due to related parties	25,449,675	26,179,107
BOD remuneration payable	4,247,694	5,737,938
Advances from customers	3,049,227	79,946,259
Retention payable	760,046	760,046
Value added Tax (VAT) payable	10,246,099	7,824,867
Other payables	31,054,140	16,439,293
	193,129,004	315,448,535

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

11. SEGMENTAL REPORTING

During 2025, the board of directors passed a resolution to liquidate 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, 2025 (Un-audited)	Six -Month Period Ended June 30, 2024 (Un-audited)
	ﷲ	ﷲ
Saudi Arabia	760,109,391	895,624,933
Other countries	30,214,039	91,712,696
	790,323,430	987,337,629

11.1 Transactions with major customers

Revenue from two major customers and one major related party accounted for 87% of the total revenue for the period (81% for the six-month period ended June 30, 2024)

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.

<u>Company</u>	<u>Relationship</u>
Tenaris Saudi Arabia Co. Ltd.	Shareholder
Husteel Co. Ltd.	Shareholder
Chemical Development Co.	Investee
Dalmine S.P.A.	Affiliate
Tenaris Global Services Far East Pte Ltd.	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 S.R.L	Affiliate
Bredero Shaw Mexico, S.A. DE C.V.	Affiliate
Confab Industrial S.A.	Affiliate

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

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, 2025 (Un-audited)	Six -month period ended June 30, 2024 (Un-audited)
		ﷲ	ﷲ
Sales and services provided by the Group:			
Tenaris Global Services S.A.	Sales, net	51,291	57,764,531
Tenaris Saudi Arabia Co. Ltd.	Sales	5,819,472	-
Tenaris Global Services and Investments S.A.R.L.	Sales	30,138,781	-
Tenaris Saudi Arabia Co. Ltd.	Services agreements	2,934,515	2,864,663
Purchases and Services received by the Group:			
Dalmine S.P.A.	Technical services received	953,822	9,350
Dalmine S.P.A.	IT services	1,186,908	-
Exiros Saudi Arabia Limited	Services received	1,833,037	1,667,037
Tenaris Saudi Arabia Co. Ltd.	Services received	1,765,503	821,246
Tenaris Saudi Arabia Co. Ltd.	IT Services	31,639	-
Tenaris Saudi Arabia Co. Ltd.	Technical services received	181,183	-
Tenaris Connections B.V.	Royalties	198,099	46,995
Siderca S.A.I.C.	Technical services received	73,511	-
Siderca S.A.I.C.	IT services	88,684	138,415
Tenaris Global Services S.A.	Purchases	57,528	1,063,832
Tenaris Global Services and Investments S.A.R.L.	Purchases	840,955	-
Husteel Co. Ltd.	Technical services received	-	39,768
Tenaris Bay City, Inc.	Technical services received	1,114,920	363,741
Tenaris Bay City, Inc.	IT Services	2,057	-
Silcotub S.A.	Services received	358,463	-
Tenaris Solutions East S.R.L.	Services received	41,157	-
Confab Industrial S.A.	Technical services received	849,020	-

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

A) Amounts receivable from related parties are as follows:

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Tenaris Saudi Arabia Co. Ltd.	15,212,437	5,596,786
Tenaris Global Services Far East Pte Ltd.	-	63,141
Tenaris Global Services and Investments S.A.R.L.	12,397,636	14,496,693
	27,610,073	20,156,620

B) Amounts payable to related parties are as follows:

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Tenaris Global Services S.A.	57,508	4,862,441
Tenaris Saudi Arabia Co. Ltd.	12,926,697	10,576,593
Exiros Saudi Arabia Co. Ltd.	2,055,081	2,243,054
Siderca S.A.I.C.	2,876,703	2,714,789
Dalmine S.P.A.	2,421,786	257,893
Husteel Co. Ltd.	-	39,835
Tenaris Connections B.V.	357,534	159,735
Silcotub S.A.	371,915	13,475
Tenaris Bay City, Inc.	1,480,718	363,741
Testing and Technical Solutions AR S.A.	139,264	139,498
Tenaris Global Services and Investments S.A.R.L.	840,822	3,776,583
Bredero Shaw Mexico, S.A. DE C.V.	1,031,470	1,031,470
Tenaris Solutions East S.R.L.	41,157	-
Confab Industrial S.A.	849,020	-
	25,449,675	26,179,107

C) Remuneration of directors and key management personnel:

	Six-Month Period Ended June 30, 2025 (Un-audited)		Six-Month Period Ended June 30, 2024 (Un-audited)
	Directors	Key management personnel	
	ﷲ	ﷲ	Directors
			ﷲ
Board remuneration	1,235,000	-	1,175,000
Salaries and wages	-	1,694,683	-
Allowances	-	1,341,747	-
End of service	-	240,096	-
	1,235,000	3,276,526	1,175,000
			2,522,647

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

13. ZAKAT AND INCOME TAX EXPENSE

	Six-Month Period Ended June 30, 2025 (Un-audited)	Six-Month Period Ended June 30, 2024 (Un-audited)
	ﷲ	ﷲ
Current zakat and income tax	7,660,456	9,577,164
Deferred tax expense	1,569,500	1,308,608
	9,229,956	10,885,772

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, 2025 (Un-audited)	June 30, 2024 (Un-audited)	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
Profit / (loss) for the period attributable to the shareholders of the company:				
From continuing operations	70,829,883	51,718,467	121,126,846	107,829,679
From discontinued operations	-	44,654	(66,934)	40,606
	70,829,883	51,763,121	121,059,912	107,870,285
Basic earnings / (loss) per share:				
From continuing operations	1.401	1.023	2.397	2.133
From discontinued operations	-	0.001	(0.001)	0.001
Weighted average number of outstanding shares	50,542,311	50,542,311	50,542,311	50,542,311
Diluted earnings / (loss) per share:				
From continuing operations	1.389	1.014	2.375	2.114
From discontinued operation	-	0.001	(0.001)	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 outstanding 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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

15. DIVIDEND

On May 07, 2025, the Board of Directors recommended a regular cash dividend of ﷲ 50.5 million (ﷲ 1 per share) for the year ended December 31, 2024 and extraordinary cash dividend from retained earnings amounting to ﷲ 149.1 million (ﷲ 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 ﷲ 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 ﷲ 211.5 million in cash which resulted in recording a net settlement compensation of ﷲ 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. 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 July 30, 2025.