

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED SEPTEMBER 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 NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 30, 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-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. Mohamed Al-Amri & Co.




Ahmed Al Jumah
Certified Public Accountant
Registration No. 621

Damman, on 14 Jumada Al-Awwal, 1447 (H)
Corresponding to 05 November, 2025 G

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

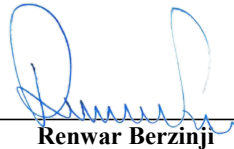
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

	Note	September 30, 2025 (Un-audited) ﷲ	December 31, 2024 (Audited) ﷲ
ASSETS			
Non-current assets			
Property, plant and equipment, net	5	823,088,056	1,016,972,837
Right-of-use assets, net	6	9,331,037	10,185,592
Intangible assets, net		5,730,497	4,117,680
Trade and other receivables – non-current	7	1,422,613	1,571,938
Deferred tax asset		5,296,087	6,865,587
		<u>844,868,290</u>	<u>1,039,713,634</u>
Current assets			
Inventories, net		443,032,821	453,042,574
Trade and other receivables, net	7	279,493,763	347,275,752
Cash and cash equivalents		132,845,612	176,215,474
		<u>855,372,196</u>	<u>976,533,800</u>
TOTAL ASSETS		<u>1,700,240,486</u>	<u>2,016,247,434</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		510,000,000	510,000,000
Share premium		4,512,330	4,512,330
Statutory reserve	16	-	75,799,387
Other reserves		(9,066,049)	(9,066,049)
Retained earnings		316,208,035	292,709,392
Treasury shares		(11,502,225)	(11,502,225)
Equity attributable to the shareholders of the Company		<u>810,152,091</u>	<u>862,452,835</u>
Non-controlling interests		290,878,273	240,622,731
Total equity		<u>1,101,030,364</u>	<u>1,103,075,566</u>
LIABILITIES			
Non-current liabilities			
Borrowings – non-current	8	7,060,000	42,825,000
Employees' end of service benefits		41,787,676	39,471,397
Lease liabilities	9	6,306,423	6,394,077
		<u>55,154,099</u>	<u>88,690,474</u>
Current liabilities			
Borrowings – current	8	342,634,154	496,111,777
Lease liabilities	9	3,378,733	3,841,536
Trade and other payables	10	188,049,662	315,448,535
Zakat and income tax		9,993,474	9,079,546
		<u>544,056,023</u>	<u>824,481,394</u>
TOTAL LIABILITIES		<u>599,210,122</u>	<u>913,171,868</u>
TOTAL EQUITY AND LIABILITIES		<u>1,700,240,486</u>	<u>2,016,247,434</u>



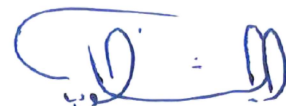
Mohammad AbdulAziz Al Shayea

Authorized Director



Renwar Berzinji

Chief Executive Officer



Mohammed Anwar Alshakhouri

Chief Financial Officer

The accompanying notes 1 to 18 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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

	Note	Three-Month Period Ended		Nine-Month Period Ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		ﷲ	ﷲ	ﷲ	ﷲ
Revenue	11	240,699,181	380,769,029	1,031,022,611	1,368,106,658
Cost of revenue		(183,213,798)	(262,846,580)	(785,244,057)	(1,038,135,367)
Gross profit		57,485,383	117,922,449	245,778,554	329,971,291
Selling, marketing and distribution expenses		(5,601,542)	(26,495,817)	(41,301,186)	(38,845,962)
Administrative expenses		(13,466,688)	(12,731,352)	(40,522,048)	(36,775,859)
Reversal for expected credit loss	7.1	195,015	1,063,391	808,049	880,322
Other income, net		7,360,168	208,776	12,900,632	2,057,607
Operating income		45,972,336	79,967,447	177,664,001	257,287,399
Lands settlement compensation	17	-	-	53,632,986	-
Finance charges, net		(8,579,513)	(8,699,583)	(25,144,648)	(27,736,819)
Interest income		1,311,336	192,180	3,399,249	750,866
Profit before zakat and income tax		38,704,159	71,460,044	209,551,588	230,301,446
Zakat and income tax expense	13	(2,657,772)	(6,928,725)	(11,887,728)	(17,814,497)
Profit for the period from continuing operations		36,046,387	64,531,319	197,663,860	212,486,949
(Loss) / Profit for the period from discontinued operations		-	(7,770)	(66,934)	32,836
Net profit for the period		36,046,387	64,523,549	197,596,926	212,519,785
Other comprehensive income		-	-	-	-
Total comprehensive income		36,046,387	64,523,549	197,596,926	212,519,785
Total comprehensive income attributable to:					
Shareholders of the Company		26,281,472	50,114,444	147,341,384	157,984,729
Non-controlling interests		9,764,915	14,409,105	50,255,542	54,535,056
		36,046,387	64,523,549	197,596,926	212,519,785

Earnings / (loss) per share attributable to the Shareholders of the Company:

Continuing operations:

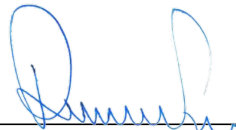
Basic earnings per share	14	0.520	0.992	2.917	3.125
Diluted earnings per share	14	0.515	0.983	2.890	3.097

Discontinued operations:

Basic (loss) / earnings per share	14	-	(0.000)	(0.001)	0.001
Diluted (loss) / earnings per share	14	-	(0.000)	(0.001)	0.001



Mohammad AbdulAziz Al Shayea
Authorized Director



Renwar Berzinji
Chief Executive Officer



Mohammed Anwar Alshakhouri
Chief Financial Officer

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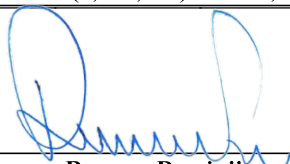
SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

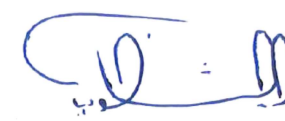
	Share capital ﷲ	Share premium ﷲ	Statutory reserve ﷲ	Other reserves ﷲ	Retained earnings ﷲ	Treasury shares ﷲ	Total ﷲ	Non-con- trolling interests ﷲ	Total equity ﷲ
Balance as at January 1, 2024 (Audited)	510,000,000	4,512,330	75,799,387	(6,516,336)	149,578,747	(11,502,225)	721,871,903	171,995,970	893,867,873
Net profit for the period	-	-	-	-	157,984,729	-	157,984,729	54,535,056	212,519,785
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	157,984,729	-	157,984,729	54,535,056	212,519,785
Dividend (note 15)	-	-	-	-	(37,500,000)	-	(37,500,000)	-	(37,500,000)
Balance as at September 30, 2024 (Un-audited)	510,000,000	4,512,330	75,799,387	(6,516,336)	270,063,476	(11,502,225)	842,356,632	226,531,026	1,068,887,658
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	-	-	-	-	147,341,384	-	147,341,384	50,255,542	197,596,926
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	147,341,384	-	147,341,384	50,255,542	197,596,926
Dividend (note 15)	-	-	-	-	(199,642,128)	-	(199,642,128)	-	(199,642,128)
Transfer from statutory reserve to retained earning (note 16)	-	-	(75,799,387)	-	75,799,387	-	-	-	-
Balance as at September 30, 2025 (Un-audited)	510,000,000	4,512,330	-	(9,066,049)	316,208,035	(11,502,225)	810,152,091	290,878,273	1,101,030,364



Mohammad AbdulAziz Al Shayea
Authorized Director



Renwar Berzinji
Chief Executive Officer



Mohammed Anwar Alshakhouri
Chief Financial Officer

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

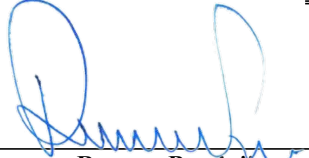
SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

	September 30, 2025 (Un-audited) ﷲ	September 30, 2024 (Un-audited) ﷲ
<u>Cash flows from operating activities:</u>		
Profit / (loss) before zakat and income tax:		
– continuing operations	209,551,588	230,301,446
– discontinued operations	(66,934)	67,039
Adjustments for:		
Depreciation of property, plant and equipment	55,999,466	51,134,566
Depreciation of right-of-use assets	4,324,572	2,439,692
Amortization of intangible assets	1,856,752	160,707
Lands settlement compensation	(53,632,986)	-
Reversal of allowance for expected credit loss	(808,049)	(880,322)
Reversal of provision for inventories	(113,862)	(7,471,087)
Provision for employees' end of service benefits	4,956,702	4,704,107
Finance charges	25,144,648	27,736,819
Interest income	(175,516)	(20,420)
	247,036,381	308,172,547
Movement in working capital		
Inventories	10,123,615	371,083,787
Trade and other receivables	69,407,208	(217,055,414)
Trade and other payables	(124,265,701)	(291,609,949)
Due to / from related parties	(3,625,501)	5,967,732
Cash generated from operations	198,676,002	176,558,703
Zakat and income tax paid	(9,404,300)	(21,270,880)
Employees' end of service benefits paid	(2,640,423)	(2,412,502)
Finance charges paid	(25,411,317)	(31,436,102)
Net cash generated from operating activities	161,219,962	121,439,219
<u>Cash flows from investing activities:</u>		
Additions to property, plant and equipment and intangible assets	(23,478,692)	(31,246,419)
Lands settlement proceeds	211,482,986	-
Proceeds from sale of property, plant and equipment	44,438	-
Net cash generated from / (used in) investing activities	188,048,732	(31,246,419)
<u>Cash flows from financing activities:</u>		
Repayment of borrowings, net	(188,631,565)	(155,991,087)
Payment of lease liabilities	(4,364,863)	(1,766,215)
Dividend paid	(199,642,128)	(37,500,000)
Net cash used in financing activities	(392,638,556)	(195,257,302)
Net change in cash and cash equivalents	(43,369,862)	(105,064,502)
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	132,845,612	104,100,688



Mohammad AbdulAziz Al Shayea
Authorized Director



Renwar Berzinji
Chief Executive Officer



Mohammed Anwar Alshakhouri
Chief Financial Officer

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

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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 September 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>September 30,</u> <u>2025</u>	<u>September 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 upon its entry into liquidation:

<u>Name of deconsolidated subsidiary</u>	<u>Principal activity</u>	<u>Effective ownership</u>	
		<u>September 30,</u> <u>2025</u>	<u>September 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 NINE-MONTH PERIOD ENDED SEPTEMBER 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

5. PROPERTY, PLANT AND EQUIPMENT, NET

Carrying amounts of:

		September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	Note	ﷲ	ﷲ
Operating fixed assets	5.1	821,819,394	1,014,758,648
Capital work-in-progress (CWIP)	5.3	1,268,662	2,214,189
		823,088,056	1,016,972,837

5.1 Operating fixed assets

		September 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	20,954,650	269,340,800
Lands settlement during the period	17	(157,858,385)	-
Disposal during the period / year		(36,053)	-
Depreciation charged during the period / year - continuing operations		(55,999,466)	(74,540,096)
Net book value at the end of the period / year		821,819,394	1,014,758,648

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

		September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		ﷲ	ﷲ
Machinery and equipment		14,079,278	247,109,057
Building on leasehold land		5,713,157	21,600,777
Furniture and fixtures		1,162,215	-
Office equipment		-	349,426
Vehicles		-	281,540
		20,954,650	269,340,800

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

5.3 Capital work-in-progress

		September 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		20,009,123	36,500,834
Transferred to operating fixed assets during the period / year		(20,954,650)	(269,340,800)
At the end of the period / year		1,268,662	2,214,189

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

6. RIGHT-OF-USE ASSETS, NET

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

	September 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	2,465,274	2,016,409
Depreciation charged during the period / year - continuing operations	(4,324,572)	(3,745,937)
Impact of lease modification	1,004,743	900,000
Net book value at the end of the period / year	<u>9,331,037</u>	<u>10,185,592</u>

7. TRADE AND OTHER RECEIVABLES, NET

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Note	ﷲ	ﷲ
Trade receivables	241,376,162	306,996,995
Allowance for expected credit loss (ECL)	7.1 (5,081,218)	(6,127,943)
Trade receivables, net	236,294,944	300,869,052
Due from related parties	12 A 20,648,949	20,156,620
Employee loans	2,311,072	2,196,476
Prepayments and advances to suppliers	17,700,006	17,781,119
Other receivables	3,961,405	2,586,174
Value added tax (VAT)	-	5,258,249
	<u>280,916,376</u>	<u>348,847,690</u>
Less: non-current portion of employee loans and other receivables	(1,422,613)	(1,571,938)
Total current portion, net	<u>279,493,763</u>	<u>347,275,752</u>

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

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Opening balance for the period / year	6,127,943	7,235,477
Reversal for the period / year – Continuing operations	(808,049)	(1,075,343)
Utilized against receivables written off – Continuing operations	(238,676)	(32,191)
Closing balance for the period / year	<u>5,081,218</u>	<u>6,127,943</u>

8. BORROWINGS

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Non-current borrowings	7,060,000	42,825,000
Current borrowings	342,634,154	496,111,777
Total borrowings	<u>349,694,154</u>	<u>538,936,777</u>

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

8. BORROWINGS (CONTINUED)

	September 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)	43,367,151	96,417,387
SIDF – III	-	29,213,501
	<u>43,367,151</u>	<u>161,322,892</u>
Current portion – term loans	<u>(36,307,151)</u>	<u>(118,497,892)</u>
	<u>7,060,000</u>	<u>42,825,000</u>
<u>Short term financing</u>		
Murabaha financing	306,327,003	377,613,885
Current portion – term loans	<u>36,307,151</u>	<u>118,497,892</u>
	<u>342,634,154</u>	<u>496,111,777</u>

9. LEASE LIABILITIES

The contractual maturity of leases liabilities is as follows:

	September 30, 2025 (Un-audited) ﷲ	December 31, 2024 (Audited) ﷲ
Within one year	3,170,873	4,174,883
Years two to five	4,954,427	4,692,660
Years five and above	2,700,029	2,700,030
Minimum lease payments	<u>10,825,329</u>	<u>11,567,573</u>
Less: finance charges	<u>(1,140,173)</u>	<u>(1,331,960)</u>
Net minimum lease payments	<u>9,685,156</u>	<u>10,235,613</u>
Non-current portion	<u>6,306,423</u>	<u>6,394,077</u>
Current portion	<u>3,378,733</u>	<u>3,841,536</u>

10. TRADE AND OTHER PAYABLES

	September 30, 2025 (Un-audited) ﷲ	December 31, 2024 (Audited) ﷲ
Trade payables	75,968,079	156,784,558
Accrued expenses	25,210,474	21,776,467
Due to related parties	23,045,935	26,179,107
BOD remuneration payable	2,141,248	5,737,938
Advances from customers	16,876,517	79,946,259
Retention payable	760,046	760,046
Value added Tax (VAT) payable	13,013,231	7,824,867
Other payables	<u>31,034,132</u>	<u>16,439,293</u>
	<u>188,049,662</u>	<u>315,448,535</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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 nine-month period ended September 30, categorized by these geographic segments is as follows:

	Nine-Month Period Ended September 30, 2025 (Un-audited)	Nine -Month Period Ended September 30, 2024 (Un-audited)
	ﷲ	ﷲ
Saudi Arabia	990,336,095	1,259,796,112
Other countries	40,686,516	108,310,546
	<u>1,031,022,611</u>	<u>1,368,106,658</u>

11.1 Transactions with major customers

Revenue from three major customers and one major related party accounted for 89% of the total revenue for the period (69% for the Nine-month period ended September 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
Slicotub S.A.	Affiliate
Bredero Shaw Mexico, S.A. DE C.V.	Affiliate
Tenaris Solutions East S.R.L	Affiliate
Confab Industrial SA	Affiliate
Tubos De Acero De Mexico S.A. DE C.V.	Affiliate

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	Nine-month period ended September 30, 2025 (Un-audited)	Nine -month period ended September 30, 2024 (Un-audited)
		ﷲ	ﷲ
Sales and services provided by the Group:			
Tenaris Global Services S.A.	Sales, net	1,484,339	73,225,572
Tenaris Saudi Arabia Co. Ltd.	Sales	5,819,472	-
Tenaris Global Services and Investments S.A.R.L.	Sales	39,002,597	9,835,542
Tenaris Saudi Arabia Co. Ltd.	Services agreements	4,769,106	3,717,723
Purchases and Services received by the Group:			
Dalmine S.P.A.	Technical services received	1,127,147	14,630
Dalmine S.P.A.	IT services	1,186,908	-
Dalmine S.P.A.	Purchases	97,296	-
Exiros Saudi Arabia Limited	Services received	2,914,557	2,628,614
Tenaris Saudi Arabia Co. Ltd.	Services received	2,518,972	1,233,734
Tenaris Saudi Arabia Co. Ltd.	IT Services	31,639	-
Tenaris Saudi Arabia Co. Ltd.	Technical services received	181,183	-
Tenaris Connections B.V.	Technical services received	12,231	66,239
Tenaris Connections B.V.	Royalties	198,099	-
Siderca S.A.I.C.	Technical services received	300,713	-
Siderca S.A.I.C.	IT services	88,684	2,057,742
Tenaris Global Services S.A.	Purchases	-	4,835,619
Tenaris Global Services S.A.	Services received	287,558	-
Tenaris Global Services and Investments S.A.R.L.	Purchases	11,931,197	3,771,522
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.	IT Services	417,402	-
Tenaris Solutions East S.R.L.	Technical Services received, net	34,827	-
Confab Industrial S.A.	Technical services received	848,997	-
Testing and Technical Solutions AR S.A.	Fees	-	139,305
Bredero Shaw Mexico, S.A. DE C.V.	Fixed asset Purchase	-	1,031,470
Tubos De Acero De Mexico S.A. DE C.V.	Services received	1,626,703	-

SAUDI STEEL PIPES COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

A) Amounts receivable from related parties are as follows:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Tenaris Saudi Arabia Co. Ltd.	10,354,966	5,596,786
Tenaris Global Services Far East Pte Ltd.	-	63,141
Tenaris Global Services S.A.	1,432,925	-
Tenaris Global Services and Investments S.A.R.L.	8,861,058	14,496,693
	20,648,949	20,156,620

B) Amounts payable to related parties are as follows:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	ﷲ	ﷲ
Tenaris Global Services S.A.	287,515	4,862,441
Tenaris Saudi Arabia Co. Ltd.	4,828,734	10,576,593
Exiros Saudi Arabia Limited	1,697,590	2,243,054
Siderca S.A.I.C.	3,103,849	2,714,789
Dalmine S.P.A.	2,594,707	257,893
Husteel Co. Ltd.	-	39,835
Tenaris Connections B.V.	3,525	159,735
Silcotub SA	417,391	13,475
Tenaris Bay City, Inc.	1,480,718	363,741
Testing and Technical Solutions AR S.A.	132,923	139,498
Tenaris Global Services and Investments S.A.R.L.	4,950,656	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.	848,997	-
Tubos De Acero De Mexico S.A. DE C.V.	1,626,703	-
	23,045,935	26,179,107

C) Remuneration of directors and key management personnel:

	Nine-Month Period Ended September 30, 2025 (Un-audited)		Nine-Month Period Ended September 30, 2024 (Un-audited)	
	Directors	Key management personnel	Directors	Key management personnel
	ﷲ	ﷲ	ﷲ	ﷲ
Board remuneration	2,172,284	-	1,787,502	-
Salaries and wages	-	2,584,652	-	2,347,722
Allowances	-	1,789,511	-	1,402,467
End of service	-	313,731	-	155,621
	2,172,284	4,687,894	1,787,502	3,905,810

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

13. ZAKAT AND INCOME TAX EXPENSE

	Nine-Month Period Ended September 30, 2025 (Un-audited)	Nine-Month Period Ended September 30, 2024 (Un-audited)
	ﷲ	ﷲ
Current zakat and income tax	10,318,228	15,322,063
Deferred tax expense	1,569,500	2,492,434
	11,887,728	17,814,497

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:

	<u>Three-Month Period Ended</u>		<u>Nine-Month Period Ended</u>	
	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited)	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited)
Profit / (loss) for the period attributable to the shareholders of the company:				
From continuing operations	26,281,472	50,122,214	147,408,318	157,951,893
From discontinued operations	-	(7,770)	(66,934)	32,836
	26,281,472	50,114,444	147,341,384	157,984,729
Basic earnings / (loss) per share:				
From continuing operations	0.520	0.992	2.917	3.125
From discontinued operations	-	(0.000)	(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	0.515	0.983	2.890	3.097
From discontinued operation	-	(0.000)	(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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

15. DIVIDEND

On May 07, 2025, the Board of Directors recommended a regular cash dividend of ﷲ 50.54 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 during the period ended June 30, 2025.

On May 23, 2024, the Board of Directors recommended a cash dividend of ﷲ 37.5 million (ﷲ 0.74 per share) for the year ended December 31, 2023, to the General Assembly of the Company, which was approved on June 24, 2024 and was paid to the shareholders during the period ended September 30, 2024.

16. STATUTORY RESERVE

The extraordinary General Assembly approve the Board of Directors recommendation, on its meeting held on September 08, 2025, to transfer the statutory reserve balance amounting to ﷲ 75,799,387 to retained earnings.

17. 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.

18. 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 29 October, 2025.