

**ARABIAN PIPES COMPANY**  
**(A Saudi Joint Stock Company)**

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

**ARABIAN PIPES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

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

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**Independent auditor's review report on the interim condensed financial statements  
To the shareholders of Arabian Pipes Company  
(A Saudi Joint Stock Company)**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Arabian Pipes Company (A Saudi Joint Stock Company) ("the Company") as at 30 September 2025, and the interim condensed statement of profit or loss and the other comprehensive income for the three-month and nine-month periods ended 30 September 2025, and the interim condensed financial statements of changes in shareholders' 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 financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standards 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 financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Maham Company for Professional Services

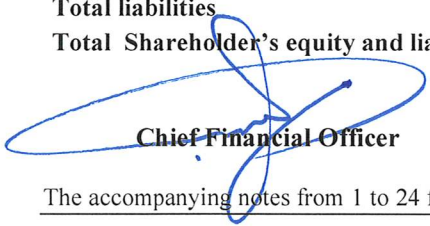
Abdulaziz Saud Al Shabeebi  
Certified Public Accountant  
License no. (339)  
Date: 8 Jumada al-Ula 1447 H  
Corresponding to: 30 October 2025



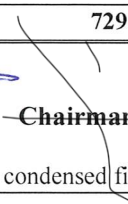
Arabian Pipes Company  
(A Saudi Joint Stock Company)

Interim condensed statement of financial position  
As at 30 September 2025

|                                                                |      | 30 September<br>2025<br>(Unaudited)<br>SR '000 | 31 December 2024<br>(Audited)<br>SR '000 |
|----------------------------------------------------------------|------|------------------------------------------------|------------------------------------------|
|                                                                | Note |                                                |                                          |
| <b>Assets</b>                                                  |      |                                                |                                          |
| <b>Non-current assets</b>                                      |      |                                                |                                          |
| Property, plant and equipment                                  | 4    | 255,121                                        | 272,798                                  |
| Intangible assets                                              |      | 1,685                                          | 2,597                                    |
| Right-of-use assets                                            |      | 22,827                                         | 24,003                                   |
| <b>Total non-current assets</b>                                |      | <b>279,633</b>                                 | <b>299,398</b>                           |
| <b>Current assets</b>                                          |      |                                                |                                          |
| Inventory                                                      | 5    | 134,173                                        | 311,681                                  |
| Trade receivables                                              | 6    | 65,412                                         | 56,764                                   |
| Contract assets                                                | 7    | 127,384                                        | 128,500                                  |
| Short-term Islamic Murabaha                                    | 8    | -                                              | 20,000                                   |
| Prepayments and other current assets                           |      | 37,988                                         | 15,833                                   |
| Cash and cash equivalents                                      |      | 85,182                                         | 99,403                                   |
| <b>Total current assets</b>                                    |      | <b>450,139</b>                                 | <b>632,181</b>                           |
| <b>Total assets</b>                                            |      | <b>729,772</b>                                 | <b>931,579</b>                           |
| <b>Shareholder's equity and liabilities</b>                    |      |                                                |                                          |
| <b>Shareholder's equity</b>                                    |      |                                                |                                          |
| Share capital                                                  | 9    | 200,000                                        | 150,000                                  |
| Reserve                                                        | 9    | 15,430                                         | 15,430                                   |
| Reserve for remeasurement of employees' end of service benefit |      | (2,991)                                        | (2,991)                                  |
| Retained earnings                                              |      | 268,749                                        | 238,876                                  |
| <b>Total Shareholder's equity</b>                              |      | <b>481,188</b>                                 | <b>401,315</b>                           |
| <b>Liabilities</b>                                             |      |                                                |                                          |
| <b>Non-current liabilities</b>                                 |      |                                                |                                          |
| Lease liabilities-non-current portion                          |      | 22,314                                         | 23,756                                   |
| Long-term financing                                            | 10   | -                                              | 47,263                                   |
| Governmental grant- non-current portion                        |      | -                                              | 686                                      |
| Provision for decommissioning cost                             |      | 2,104                                          | 2,028                                    |
| Employees end of service benefit                               |      | 27,245                                         | 24,289                                   |
| <b>Total non-current liabilities</b>                           |      | <b>51,663</b>                                  | <b>98,022</b>                            |
| <b>Current liabilities</b>                                     |      |                                                |                                          |
| Leases liabilities- current portion                            |      | 1,329                                          | 1,332                                    |
| Bank facilities and current portion of long-term financing     | 10   | 118,019                                        | 346,718                                  |
| Governmental grant- current portion                            |      | -                                              | 717                                      |
| Trade payables                                                 |      | 21,538                                         | 37,542                                   |
| Accrued expenses and other current liabilities                 | 11   | 47,255                                         | 36,939                                   |
| Zakat provision                                                | 12   | 8,780                                          | 8,994                                    |
| <b>Total current liabilities</b>                               |      | <b>196,921</b>                                 | <b>432,242</b>                           |
| <b>Total liabilities</b>                                       |      | <b>248,584</b>                                 | <b>530,264</b>                           |
| <b>Total Shareholder's equity and liabilities</b>              |      | <b>729,772</b>                                 | <b>931,579</b>                           |

 Chief Financial Officer

 Chief Executive Officer

 Chairman of Audit Committee

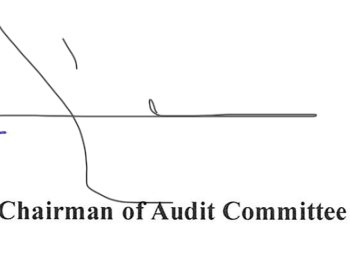
The accompanying notes from 1 to 24 form an integral part of these interim condensed financial statements.

Arabian Pipes Company  
(A Saudi Joint Stock Company)

Interim condensed statement of profit or loss and other comprehensive income  
For the three-month and nine-month periods ended 30 September 2025

|                                                               |      | For the three-month period ended<br>30 September | For the nine-month period ended<br>30 September |                                |                                |
|---------------------------------------------------------------|------|--------------------------------------------------|-------------------------------------------------|--------------------------------|--------------------------------|
|                                                               | Note | 2025<br>(Unaudited)<br>SR '000                   | 2024<br>(Unaudited)<br>SR '000                  | 2025<br>(Unaudited)<br>SR '000 | 2024<br>(Unaudited)<br>SR '000 |
| Revenue                                                       | 14   | 233,285                                          | 322,316                                         | 736,632                        | 979,393                        |
| Cost of revenue                                               | 15   | (189,115)                                        | (254,731)                                       | (566,499)                      | (726,035)                      |
| <b>Gross profit</b>                                           |      | <b>44,170</b>                                    | <b>67,585</b>                                   | <b>170,133</b>                 | <b>253,358</b>                 |
| <b>Expenses</b>                                               |      |                                                  |                                                 |                                |                                |
| Selling and marketing                                         |      | (3,972)                                          | (3,624)                                         | (12,166)                       | (10,024)                       |
| General and administrative                                    |      | (14,719)                                         | (10,122)                                        | (35,073)                       | (30,829)                       |
| Reversed (provided) for provision<br>for inventory impairment | 5    | -                                                | 6,304                                           | (671)                          | (7,758)                        |
| <b>Total expenses</b>                                         |      | <b>(18,691)</b>                                  | <b>(7,442)</b>                                  | <b>(47,910)</b>                | <b>(48,611)</b>                |
| <b>Profit from operations</b>                                 |      | <b>25,479</b>                                    | <b>60,143</b>                                   | <b>122,223</b>                 | <b>204,747</b>                 |
| Finance charges                                               |      | (5,157)                                          | (14,152)                                        | (25,652)                       | (42,752)                       |
| Other income, net                                             | 16   | 9,588                                            | (200)                                           | 10,646                         | 439                            |
| <b>Profit before zakat</b>                                    |      | <b>29,910</b>                                    | <b>45,791</b>                                   | <b>107,217</b>                 | <b>162,434</b>                 |
| Zakat                                                         | 12   | (2,141)                                          | (1,904)                                         | (4,844)                        | (6,713)                        |
| <b>Net profit for the period</b>                              |      | <b>27,769</b>                                    | <b>43,887</b>                                   | <b>102,373</b>                 | <b>155,721</b>                 |
| <b>Total comprehensive income for<br/>the period</b>          |      | <b>27,769</b>                                    | <b>43,887</b>                                   | <b>102,373</b>                 | <b>155,721</b>                 |
| <b>Earnings per share</b>                                     |      |                                                  |                                                 |                                |                                |
| Basic and diluted earnings per share<br>(SR)                  | 17   | 0.14                                             | 0.22                                            | 0.51                           | 0.78                           |





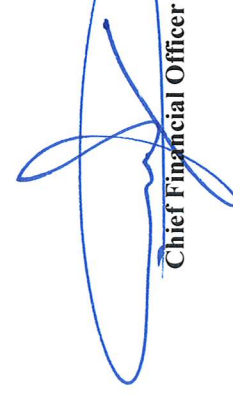
**Chief Financial Officer**      **Chief Executive Officer**      **Chairman of Audit Committee**

The accompanying notes from 1 to 24 form an integral part of these interim condensed financial statements

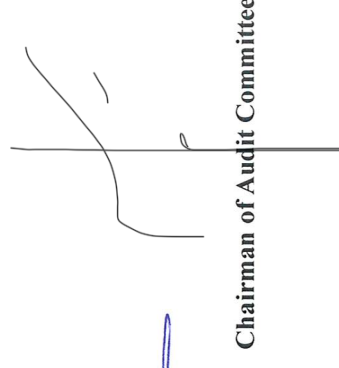
Arabian Pipes Company  
(A Saudi Joint Stock Company)

Interim condensed statement of changes in shareholders' equity  
For the nine-month period ended 30 September 2025

|                                                                | Share capital<br>SR '000 | Proposed increase in capital<br>SR '000 | Reserve<br>SR '000 | Reserve for remeasurement of employees' end of service benefit<br>SR '000 | Retained earnings<br>SR '000 | Total<br>SR '000 |
|----------------------------------------------------------------|--------------------------|-----------------------------------------|--------------------|---------------------------------------------------------------------------|------------------------------|------------------|
| As at 1 January 2025 (Audited)                                 | 150,000                  | -                                       | 15,430             | (2,991)                                                                   | 238,876                      | 401,315          |
| Net profit for the period                                      | -                        | -                                       | -                  | -                                                                         | 102,373                      | 102,373          |
| Total comprehensive income for the period                      | -                        | -                                       | -                  | -                                                                         | 102,373                      | 102,373          |
| Dividend distribution                                          | -                        | -                                       | -                  | -                                                                         | (22,500)                     | (22,500)         |
| Transferred from retained earning to increase in share capital | 50,000                   | -                                       | -                  | -                                                                         | (50,000)                     | -                |
| <b>As at 30 September 2025 (Unaudited)</b>                     | <b>200,000</b>           | <b>-</b>                                | <b>15,430</b>      | <b>(2,991)</b>                                                            | <b>268,749</b>               | <b>481,188</b>   |
| As at 1 January 2024 (Audited)                                 | 100,000                  | -                                       | 15,430             | (3,010)                                                                   | 120,699                      | 233,119          |
| Net profit for the period                                      | -                        | -                                       | -                  | -                                                                         | 155,721                      | 155,721          |
| Total comprehensive income for the period                      | -                        | -                                       | -                  | -                                                                         | 155,721                      | 155,721          |
| Transferred from retained earning to increase in share capital | 50,000                   | -                                       | -                  | -                                                                         | (50,000)                     | -                |
| <b>As at 30 September 2024 (Unaudited)</b>                     | <b>150,000</b>           | <b>-</b>                                | <b>15,430</b>      | <b>(3,010)</b>                                                            | <b>226,420</b>               | <b>388,840</b>   |

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman of Audit Committee

The accompanying notes from 1 to 24 form an integral part of these interim condensed financial statements.

Arabian Pipes Company  
(A Saudi Joint Stock Company)  
Interim condensed statement of cash flows  
For the Nine-month period ended 30 September 2025

|                                                                                                      |      | For the Nine-month period<br>ended 30 September |                 |
|------------------------------------------------------------------------------------------------------|------|-------------------------------------------------|-----------------|
|                                                                                                      |      | 2025                                            | 2024            |
|                                                                                                      |      | (Unaudited)                                     | (Unaudited)     |
|                                                                                                      | Note | SR '000                                         | SR '000         |
| <b>OPERATING ACTIVITIES</b>                                                                          |      |                                                 |                 |
| Profit before zakat                                                                                  |      | 107,217                                         | 162,434         |
| Adjustments for:                                                                                     |      |                                                 |                 |
| Depreciation of property, plant, and equipment                                                       | 4    | 26,765                                          | 26,573          |
| Amortization of intangible assets                                                                    |      | 1,076                                           | 1,043           |
| Depreciation of a right-of-use asset                                                                 |      | 1,335                                           | 1,839           |
| Finance charges                                                                                      |      | 25,652                                          | 42,752          |
| Gains from the derecognition of financial liabilities related to the Saudi National Development Fund |      | (197)                                           | -               |
| Provided for provision for inventory impairment                                                      | 5    | 671                                             | 7,758           |
| (Reversal) provided for allowance for expected credit losses                                         | 6    | (146)                                           | 2,768           |
| Impairment of property, plant and equipment                                                          | 4    | 184                                             | 2,804           |
| Governmental grant                                                                                   |      | (303)                                           | (1,411)         |
| Employee end of service benefit                                                                      |      | 3,927                                           | 3,332           |
|                                                                                                      |      | <u>166,181</u>                                  | <u>249,892</u>  |
| Change in operating assets and liabilities                                                           |      |                                                 |                 |
| Inventory                                                                                            |      | 176,836                                         | 20,069          |
| Trade receivables                                                                                    |      | (8,501)                                         | (20,236)        |
| Prepayments and other current assets                                                                 |      | (21,365)                                        | (9,818)         |
| Contract assets                                                                                      |      | 1,116                                           | (174,581)       |
| Trade payables                                                                                       |      | (16,004)                                        | 17,937          |
| Accrued expenses and other current liabilities                                                       |      | 16,469                                          | (29,753)        |
| Cash from operations                                                                                 |      | <u>314,732</u>                                  | <u>53,510</u>   |
| Zakat paid                                                                                           | 12   | (5,058)                                         | (9,072)         |
| Finance charges paid                                                                                 |      | (28,829)                                        | (42,573)        |
| Employee end of service benefit paid                                                                 |      | (970)                                           | (610)           |
| <b>Net cash from operating activities</b>                                                            |      | <u>279,875</u>                                  | <u>1,255</u>    |
| <b>INVESTING ACTIVITIES</b>                                                                          |      |                                                 |                 |
| Additions to property, plant, equipment                                                              | 4    | (9,272)                                         | (9,167)         |
| Additions to intangible assets                                                                       |      | (166)                                           | -               |
| Proceed from Short-term Islamic Murabaha                                                             |      | 20,000                                          | (1,000)         |
| <b>Net cash from (used in) investing activities</b>                                                  |      | <u>10,562</u>                                   | <u>(10,167)</u> |
| <b>FINANCING ACTIVITIES</b>                                                                          |      |                                                 |                 |
| Bank facilities and long-term financing paid                                                         | 10   | (793,015)                                       | (774,075)       |
| Bank facilities and long-term financing proceeds                                                     | 10   | 513,435                                         | 735,417         |
| Payment of lease liability                                                                           |      | (2,578)                                         | (2,703)         |
| Dividends paid                                                                                       |      | (22,500)                                        | -               |
| <b>Net cash used in financing activities</b>                                                         |      | <u>(304,658)</u>                                | <u>(41,361)</u> |
| <b>Net change in cash and cash equivalents</b>                                                       |      | <u>(14,221)</u>                                 | <u>(50,273)</u> |
| Cash and cash equivalent at the beginning of the period                                              |      | 99,403                                          | 94,081          |
| <b>Cash and cash equivalents at end of the period</b>                                                |      | <u>85,182</u>                                   | <u>43,808</u>   |

For the nine-month period ended  
30 September

| 2025<br>(Unaudited)<br>SR '000 | 2024<br>(unaudited)<br>SR '000 |
|--------------------------------|--------------------------------|
|--------------------------------|--------------------------------|

**Significant non-cash transactions**

Transferred from retained earnings to increase in share capital

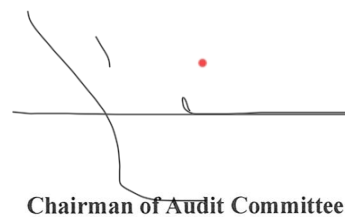
|   |        |        |
|---|--------|--------|
| 9 | 50,000 | 50,000 |
|---|--------|--------|



Chief Financial Officer



Chief Executive Officer



Chairman of Audit Committee

The accompanying notes from 1 to 24 form an integral part of these interim condensed financial statements.

## 1 GENERAL INFORMATION

Arabian Pipes Company (“the Company”) is a Saudi Joint Stock Company formed in accordance with the Companies Regulation and is registered in the Kingdom of Saudi Arabia (“KSA”) under the Commercial Registration No. 1010085734 dated 14 Safar 1412H (corresponding to 24 August 1991). The Company's registered address is P.O. Box 42734, Riyadh 11551, Third Industrial City, Kingdom of Saudi Arabia.

The main activities of the Company are the production and marketing of longitudinally welded steel pipes for pipelines and for construction and commercial purposes, bending, shaping and threading pipes from the outside and inside, carrying out commercial business such as selling and buying pipes, their accessories, carrying out pipeline extension works, manufacturing pipes, hoses, pipes, their connections and accessories, and manufacturing pipes, pipes and shapes hollow iron and steel.

The Company operates under industrial license (Riyadh plant) No. 434 dated 12 Thul-Qi’dah 1405H (corresponding to 30 July 1985) and amended by the industrial license No. 2195 dated 16 Rajab 1436H (corresponding to 5 May 2015) and industrial license for coating factory No. 479 dated 26 Safar 1436H (corresponding to 18 December 2014).

These interim condensed financial statements include the following branch of the Company:

| Name in branch register | Branch Registration No. | Region    | Date                                                    |
|-------------------------|-------------------------|-----------|---------------------------------------------------------|
| Arabian Pipes Company   | 2055007048              | Al-Jubail | 21 Rabi’ al-Thani 1426H (Corresponding to: 29 May 2005) |

## 2 BASIS OF PREPARATION

### 2-1 Statement of compliance

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2024.

### 2-2 Basis of measurement

The interim condensed financial statements have been prepared on the historical cost basis, except for employees’ end of service benefit that have been measured using projected unit credit method.

### 2-3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (SR), which is the Company's functional and presentation currency. All values have been rounded to the nearest thousand Saudi Riyals, unless otherwise stated.

#### 2-3-1 Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized in the profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate applicable at the date of the initial transactions

## **2 BASIS OF PREPARATION (Continued)**

### **2-4 Significant accounting policies**

The accounting policies applied in these interim condensed financial statements are the same policies applied to the Company's annual financial statements as at and for the year ended 31 December 2024.

### **2-5 New and amended standard and interpretations**

The Company applied for the first time the following standards and amendments that are effective for annual periods beginning on or before 1 January 2025, which did not have any impact on the Company's interim condensed financial statements:

- Lack of Exchangeability – Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2025 reporting period and have not been early adopted by the Company. Management is currently evaluating the impact of these pronouncements on future reporting periods.

## **3 SIGNIFICANT ASSUMPTIONS AND ESTIMATES**

The preparation of the Company's interim condensed financial statements requires management to make judgments, estimates, and assumptions as of the reporting date that affect the reported amounts of revenues, expenses, assets, and liabilities, as well as the disclosure of contingent assets and liabilities. However, due to the inherent uncertainty in these assumptions and estimates, actual results may differ, potentially resulting in material adjustments to the carrying amounts of affected assets or liabilities in future periods. Estimates and judgments are reviewed on an ongoing basis and are based on historical experience and other relevant factors, including reasonable expectations of future events under current circumstances. The Company makes forward looking estimates and assumptions, and actual outcomes may differ from those estimates.

The significant judgments made by management in applying the Company's accounting policies, as well as the key sources of estimation uncertainty, are consistent with those disclosed in the annual financial statements for the year ended 31 December 2024.

#### 4 PROPERTY, PLANT AND EQUIPMENT

The estimated useful lives of assets for calculating depreciation are as follows:

|                         |                                           |                        |              |
|-------------------------|-------------------------------------------|------------------------|--------------|
| Buildings               | 33 years or lease term, whichever is less | Furniture and fixtures | 3.33-5 years |
| Machinery and equipment | 10-25 years                               | Computers              | 3.33-5 years |
| Vehicles                | 5 years                                   |                        |              |

|                                                                | Land<br>SR '000     | Buildings<br>SR '000 | Machinery<br>and<br>equipment<br>SR '000 | Vehicles<br>SR '000 | Furniture<br>and<br>fixtures<br>SR '000 | Computers<br>SR '000 | Capital<br>works in<br>progress<br>SR '000 | Total<br>SR '000      |
|----------------------------------------------------------------|---------------------|----------------------|------------------------------------------|---------------------|-----------------------------------------|----------------------|--------------------------------------------|-----------------------|
| <b>Cost:</b>                                                   |                     |                      |                                          |                     |                                         |                      |                                            |                       |
| At 1 January 2025 (audited)                                    | 5,676               | 91,391               | 762,483                                  | 2,484               | 3,896                                   | 3,647                | 71                                         | <b>869,648</b>        |
| Additions                                                      | -                   | 189                  | 6,659                                    | 395                 | 321                                     | 107                  | 1,601                                      | <b>9,272</b>          |
| Disposal                                                       | -                   | -                    | (14)                                     | (58)                | -                                       | -                    | -                                          | <b>(72)</b>           |
| At 30 September 2025<br>(Unaudited)                            | <u>5,676</u>        | <u>91,580</u>        | <u>769,128</u>                           | <u>2,821</u>        | <u>4,217</u>                            | <u>3,754</u>         | <u>1,672</u>                               | <b><u>878,848</u></b> |
| <b>Accumulated depreciation</b>                                |                     |                      |                                          |                     |                                         |                      |                                            |                       |
| At 1 January 2025 (audited)                                    | -                   | 53,629               | 535,519                                  | 1,937               | 2,896                                   | 2,869                | -                                          | <b>596,850</b>        |
| Charged for the period                                         | -                   | 2,701                | 23,504                                   | 160                 | 227                                     | 173                  | -                                          | <b>26,765</b>         |
| Impairment                                                     | -                   | -                    | 184                                      | -                   | -                                       | -                    | -                                          | <b>184</b>            |
| Disposal                                                       | -                   | -                    | (14)                                     | (58)                | -                                       | -                    | -                                          | <b>(72)</b>           |
| At 30 September 2025<br>(Unaudited)                            | <u>-</u>            | <u>56,330</u>        | <u>559,193</u>                           | <u>2,039</u>        | <u>3,123</u>                            | <u>3,042</u>         | <u>-</u>                                   | <b><u>623,727</u></b> |
| Net book value:<br><b>At 30 September 2025<br/>(unaudited)</b> | <b><u>5,676</u></b> | <b><u>35,250</u></b> | <b><u>209,935</u></b>                    | <b><u>782</u></b>   | <b><u>1,094</u></b>                     | <b><u>712</u></b>    | <b><u>1,672</u></b>                        | <b><u>255,121</u></b> |

- The Company's buildings in Riyadh and Jubail include buildings constructed on land leased from government authorities.
- Most of property, plant and equipment are pledged in favor of facilities grantors.

#### 4 PROPERTY, PLANT AND EQUIPMENT (continued)

|                                  | Land<br>SR '000 | Buildings<br>SR '000 | Machinery<br>and<br>equipment<br>SR '000 | Vehicles<br>SR '000 | Furniture<br>and<br>Fixtures<br>SR '000 | Computer<br>SR '000 | Capital<br>works in<br>progress<br>SR '000 | Total<br>SR '000 |
|----------------------------------|-----------------|----------------------|------------------------------------------|---------------------|-----------------------------------------|---------------------|--------------------------------------------|------------------|
| <b>Cost:</b>                     |                 |                      |                                          |                     |                                         |                     |                                            |                  |
| At 1 January 2024                | 5,676           | 91,391               | 751,411                                  | 2,060               | 3,432                                   | 3,019               | -                                          | 856,989          |
| Additions                        | -               | -                    | 11,472                                   | 485                 | 625                                     | 628                 | 71                                         | 13,281           |
| Disposal                         | -               | -                    | (400)                                    | (61)                | (161)                                   | -                   | -                                          | (622)            |
| At 31 December 2024              | <u>5,676</u>    | <u>91,391</u>        | <u>762,483</u>                           | <u>2,484</u>        | <u>3,896</u>                            | <u>3,647</u>        | <u>71</u>                                  | <u>869,648</u>   |
| <b>Accumulated Depreciation:</b> |                 |                      |                                          |                     |                                         |                     |                                            |                  |
| At 1 January 2024                | -               | 50,023               | 501,823                                  | 1,816               | 2,846                                   | 2,694               | -                                          | 559,202          |
| Charged for the year             | -               | 3,606                | 31,292                                   | 182                 | 211                                     | 175                 | -                                          | 35,466           |
| Impairment                       | -               | -                    | 2,804                                    | -                   | -                                       | -                   | -                                          | 2,804            |
| Disposal                         | -               | -                    | (400)                                    | (61)                | (161)                                   | -                   | -                                          | (622)            |
| At 31 December 2024              | <u>-</u>        | <u>53,629</u>        | <u>535,519</u>                           | <u>1,937</u>        | <u>2,896</u>                            | <u>2,869</u>        | <u>-</u>                                   | <u>596,850</u>   |
| Net book value:                  |                 |                      |                                          |                     |                                         |                     |                                            |                  |
| <b>At 31 December 2024</b>       | <u>5,676</u>    | <u>37,762</u>        | <u>226,964</u>                           | <u>547</u>          | <u>1,000</u>                            | <u>778</u>          | <u>71</u>                                  | <u>272,798</u>   |

- The impairment recognized during the current period and the previous year as presented above relates to spare parts that are being replaced and those used for repairing of machinery and equipment.

Depreciation has been charged within the Interim condensed statement of profit or loss and other comprehensive income as follows:

#### For the Nine-month period ended 30 September

2025  
(Unaudited)

2024  
(unaudited)

|                                     | SR '000       | SR '000       |
|-------------------------------------|---------------|---------------|
| Cost of revenue                     | 23,673        | 25,180        |
| General and administrative expenses | 3,072         | 1,385         |
| Selling and marketing expenses      | 20            | 8             |
|                                     | <u>26,765</u> | <u>26,573</u> |

## 5 INVENTORY

|                                                     | 30 September 2025<br>(Unaudited)<br>SR '000 | 31 December 2024<br>(Audited)<br>SR '000 |
|-----------------------------------------------------|---------------------------------------------|------------------------------------------|
| Raw materials                                       | 58,163                                      | 175,138                                  |
| Consumable materials                                | 39,718                                      | 40,069                                   |
| Finished goods                                      | 33,292                                      | 51,655                                   |
| Goods on transit                                    | 23,435                                      | 64,118                                   |
| Work in progress                                    | 14,558                                      | 14,042                                   |
| Scrap                                               | 927                                         | 1,908                                    |
|                                                     | 170,093                                     | 346,930                                  |
| Less: provision for inventory impairment (note 5.1) | (35,920)                                    | (35,249)                                 |
|                                                     | 134,173                                     | 311,681                                  |

### 5.1 The movement of provision for inventory impairment:

|                                       | For the nine-month<br>period ended<br>30 September 2025<br>(Unaudited)<br>SR '000 | For the year ended<br>31 December 2024<br>(Audited)<br>SR '000 |
|---------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|
| At the beginning of the period / year | 35,249                                                                            | 33,715                                                         |
| Charged during the period / year      | 671                                                                               | 2,626                                                          |
| Write-off during the period / year    | -                                                                                 | (1,092)                                                        |
| At the end of the period / year       | 35,920                                                                            | 35,249                                                         |

## 6 TRADE RECEIVABLES

|                                                 | 30 September 2025<br>(Unaudited)<br>SR '000 | 31 December 2024<br>(Audited)<br>SR '000 |
|-------------------------------------------------|---------------------------------------------|------------------------------------------|
| Trade receivables                               | 67,429                                      | 58,927                                   |
| Provision for expected credit losses (note 6.1) | (2,017)                                     | (2,163)                                  |
|                                                 | 65,412                                      | 56,764                                   |

### 6.1 The movement of provision for expected credit losses:

|                                             | For the nine-month<br>period ended<br>30 September 2025<br>(Unaudited)<br>SR '000 | For the year ended<br>31 December 2024<br>(Audited)<br>SR '000 |
|---------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|
| At the beginning of the period / year       | 2,163                                                                             | 18,055                                                         |
| (Reversal) charged during the period / year | (146)                                                                             | 803                                                            |
| Write-off during the period / year          | -                                                                                 | (16,695)                                                       |
|                                             | 2,017                                                                             | 2,163                                                          |

## 6 TRADE RECEIVABLES (continued)

- (a) The Company applies the simplified approach of International Financial Reporting Standard 9 for measuring expected credit losses.  
(b) Trade receivables do not bear interest and are varying maturity periods ranging from 30 to 60 days.  
(c) The maximum exposure to credit risk as of the reporting date is the carrying value of each category of the mentioned trade receivables.  
(d) The Company does not hold any collateral against the trade receivables and, therefore, they are unsecured.

The analysis of aging for trade receivables was as follows:

|                          | <b>Total</b>   | <b>Less than 90 days</b> | <b>From 91 to 180</b> | <b>From 181 to 360</b> | <b>More than 360</b> |
|--------------------------|----------------|--------------------------|-----------------------|------------------------|----------------------|
|                          | <b>SR '000</b> | <b>SR '000</b>           | <b>SR '000</b>        | <b>SR '000</b>         | <b>SR '000</b>       |
| <b>30 September 2025</b> |                |                          |                       |                        |                      |
| (Unaudited)              | <b>67,429</b>  | <b>66,069</b>            | -                     | -                      | <b>1,360</b>         |
| 31 December 2024         |                |                          |                       |                        |                      |
| (Audited)                | 58,927         | 48,495                   | -                     | 9,072                  | 1,360                |

## 7 CONTRACT ASSETS

Contract assets primarily relate to the company's right to receive payment for performance completed to date in relation to completed steel pipe manufacturing contracts (for which revenue is recognized over time), but which have not been invoiced as of the statement of financial position date. These amounts will be transferred to trade receivables when invoiced to customers. SR 55.67 million from the contract asset balances were invoiced subsequent to the interim condensed statement of financial position date. All contract asset balances as at 30 September 2025 were due within less than 30 days and, therefore, were not subject to a significant risk of impairment.

The movement in the contract assets account was as follows:

|                                              | <b>For the nine-month<br/>period ended<br/>30 September 2025<br/>(Unaudited)<br/>SR '000</b> | <b>For the year ended<br/>31 December 2024<br/>(Audited)<br/>SR '000</b> |
|----------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| At the beginning of the period/ year         | <b>128,500</b>                                                                               | 20,080                                                                   |
| Revenues recognized during the period / year | <b>351,537</b>                                                                               | 876,488                                                                  |
| Invoices issued during the period/ year      | <b>(352,653)</b>                                                                             | (768,068)                                                                |
| At the end of the period/ year               | <b>127,384</b>                                                                               | 128,500                                                                  |

## 8 SHORT TERM ISLAMIC MURABAHA

Short-term Islamic Murabaha represents deposits with local banks with an original maturity period of more than three months but not exceeding twelve months from the acquisition date, and it generates Murabaha income at an average rate of 5.40% per annum (31 December 2024: 5.45%).

## 9 SHARE CAPITAL, DIVIDENDS AND RESERVE

### SHARE CAPITAL

The authorized, issued and paid capital of the Company consists of 200 million shares, the value of each share is SR 1 (31 December 2024: 15 million shares, the value of each share is SR 10).

### Splitting the nominal value of the share

The Board of Directors recommended on 27 of Rabi' al-Thani 1446H (corresponding to 30 October 2024) to split the nominal value of the share from SR 10 per share to SR 1 per share. As a result, the number of the Company's shares after the adjustment will be 150 million shares instead of 15 million shares.

## 9 SHARE CAPITAL, DIVIDENDS AND RESERVE (continued)

### Splitting the nominal value of the share (continued)

The Extraordinary General Assembly, in its meeting held on 1 of Rajab 1446H (corresponding to 8 January 2025), approved the Board of Directors' recommendation to split the nominal value of the share. The legal formalities related to the split were completed, and the by-laws were amended during the year 2025.

### Increase in capital from SR 150 million to SR 200 million

On 27 Shaaban 1446 H (corresponding to 26 February 2025), the Board of Directors recommended increasing the capital from SR 150 to SR 200 million by capitalizing a portion of retained earnings.

On 30 Shawwal 1446H (corresponding to 28 April 2025), the Capital Market Authority issued its approval for the Arabian Pipes Company's request to increase its capital from SR 150 million to SR 200 million by granting one free share for every three existing shares owned by shareholders registered in the issuer's shareholder registry at the Depository Center at the end of the second trading day following the maturity date.

The Extraordinary General Assembly, in its meeting held on 7 Dhul-Hijjah 1446H (corresponding to 3 June 2025), approved the Board of Directors' recommendation to increase the Company's capital. The Company is still in process to complete legal formalities relating to the capital increase.

### RESERVE

During the year 2024, the Company amended its by-laws to comply with the new Companies Regulations requirements issued by Royal Decree M/132 dated 30 June 2022 and consequently, the Company is no longer required to appropriate statutory reserve and accordingly, the reserve appropriated during the prior years will be subject to shareholders resolution in the future, either to keep it as a general reserve, or to reclassify it to retained earnings.

### Dividends

On 28 Sha'ban 1446 H (corresponding to 27 February 2025), the Board of Directors recommended distributing cash dividends to shareholders in the amount of SR 22.5 million for the year 2024, at SR SR 0.15 per share.

The Extraordinary General Assembly, in its meeting held on 7 Dhul-Hijjah 1446H (corresponding to 3 June 2025), approved the Board of Directors' recommendation to distribute cash dividends to shareholders for the year 2024. The dividends were deposited into shareholders' accounts on 1 Muharram 1447H (corresponding to 26 June 2025).

## 10 BANK FACILITIES AND LONG-TERM FINANCING

- The Company obtained short-term bank facilities and financing from several local banks, with the balance of bank facilities as at 30 September 2025, amounting to SR 118 million (31 December 2024: SR 336 million). These consist of letter of credit financing and short-term financing to cover the company's working capital requirements, with facilities bearing a commission according to prevailing market rates, these facilities are secured by promissory notes and pledges on trade receivable balances, the facilities are compliant with Islamic Sharia principles. The facility agreements include covenants to maintain certain financial indicators, such as the leverage ratio, among others. According to these financial agreements, the bank has the right to demand immediate repayment of the facilities if these conditions are not met. The company was in compliance with the bank facility covenants as at 30 September 2025.
- The Company obtained financing from the Saudi Industrial Development Fund ("the Fund") for the purpose of producing longitudinally welded steel pipes and for the replacement and upgrading of the company's machinery and equipment, with a total amount of SR 236.5 million. The company made an early repayment of the full financing during the year 2024. As a result of this early repayment, a gain of SR 896 thousand was recognized due to the derecognition of the financial obligations related to the Fund's financing.

###### 10 BANK FACILITIES AND LONG-TERM FINANCING (continued)

- The Company obtained a short-term financing from the Saudi National Development Fund for the purpose of financing the letters of credits, with a total amount of SR 109.5 million and with original due date on 31 December 2023. On 1 July 2024, the Company successfully rescheduled the financing with National Development Fund for a period of three and a half years and up to 1 January 2028. The company made an early repayment of the full financing during the year 2025. As a result of this early repayment, a gain of SR 197 thousand was recognized due to the derecognition of the financial obligations related to the Fund's financing.

10-1 The bank facilities and long-term financing presented in the interim condensed statement of financial position consist of the following:

|                                                                                  | 30 September 2025<br>(Unaudited)<br>SR '000 | 31 December 2024<br>(Audited)<br>SR '000 |
|----------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------|
| Bank facilities and short-term financing                                         | 118,392                                     | 335,932                                  |
| Long term financing- current portion                                             | -                                           | 11,949                                   |
| Prepaid upfront fees                                                             | (373)                                       | (1,163)                                  |
| Bank facilities, short-term financing and current portion of long-term financing | 118,019                                     | 346,718                                  |
| Non-current portion of long-term financing                                       | -                                           | 47,263                                   |
|                                                                                  | <b>118,019</b>                              | <b>393,981</b>                           |

The movement in the bank facilities and loan term financing were as follows:

|                                                                                                                    | For the nine-month<br>period ended<br>30 September 2025<br>(Unaudited)<br>SR '000 | For the year ended<br>31 December 2024<br>(Audited)<br>SR '000 |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|
| At the beginning of the period/ year                                                                               | 395,144                                                                           | 447,290                                                        |
| Bank facilities and long-term financing proceeds                                                                   | 513,435                                                                           | 992,329                                                        |
| Bank facilities and long-term financing paid                                                                       | (793,015)                                                                         | (1,046,873)                                                    |
| Financial charges on the long-term financing                                                                       | 1,924                                                                             | 5,141                                                          |
| Government Grants                                                                                                  | -                                                                                 | (1,847)                                                        |
| (Gains) losses from the cancellation of financial liabilities related to the Industrial Development Fund financing | 904                                                                               | (896)                                                          |
|                                                                                                                    | <b>118,392</b>                                                                    | <b>395,144</b>                                                 |
| Prepaid upfront fees                                                                                               | (373)                                                                             | (1,163)                                                        |
| At the end of the period/ year                                                                                     | <b>118,019</b>                                                                    | <b>393,981</b>                                                 |

###### 11 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

|                            | 30 September 2025<br>(Unaudited)<br>SR '000 | 31 December 2024<br>(Audited)<br>SR '000 |
|----------------------------|---------------------------------------------|------------------------------------------|
| Advances from customers    | 20,750                                      | 2,574                                    |
| Accrued employee benefits  | 12,206                                      | 12,302                                   |
| VAT payable                | 6,437                                       | -                                        |
| Accrued financial chargers | 1,759                                       | 7,909                                    |
| Accrued expenses           | 1,280                                       | 114                                      |
| Other liabilities          | 4,823                                       | 14,040                                   |
|                            | <b>47,255</b>                               | <b>36,939</b>                            |

## 12 ZAKAT

The net zakat charge for the period ended 30 September 2025 amounted to SR 4,8 million (period ended 30 September 2024: SR 6,7 million, for the year ended 31 December 2024: SR 7.9 million).

Zakat expense for the period is estimated in accordance with the requirements of the Zakat, Tax, and Customs Authority ("ZATCA") and is charged to the interim condensed statement of profit or loss and other comprehensive income. Any differences resulting from the final Zakat calculation, if any, are adjusted in the period in which these differences are determined, in accordance with the requirements of International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

### 12.1 Zakat provision movement

|                                                               | <b>For the nine-month<br/>period ended<br/>30 September 2025<br/>(Unaudited)<br/>SR '000</b> | <b>For the year ended<br/>31 December 2024<br/>(Audited)<br/>SR '000</b> |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| At the beginning of the period/year                           | <b>8,994</b>                                                                                 | 10,182                                                                   |
| Charged during the period/year                                | <b>4,844</b>                                                                                 | 5,024                                                                    |
| Charged during the period/year (related to prior years) – net | -                                                                                            | 2,860                                                                    |
| Payments during the period/year                               | <b>(5,058)</b>                                                                               | (9,072)                                                                  |
| At the end of the period/year                                 | <b>8,780</b>                                                                                 | 8,994                                                                    |

### 12.2 Zakat assessments

The Company has submitted its zakat returns to the Zakat, Tax, and Customs Authority ("ZATCA") for all years up to 2024 and has paid the zakat due accordingly, receiving the zakat certificates. The zakat assessments for all years up to 2018 have been concluded with the ZATCA, and the zakat assessments for the years after 2021 have not yet been issued by the ZATCA.

During March 2024, the Company received the zakat assessment for the year 2019 and 2020 from ZATCA, demanding the Company to pay an additional zakat amount of SR 5.63 million. The Company paid an amount of SR 1.67 million, representing the non-objectionable part of the total additional amount and the Company submitted an objection to the ZATCA for the remaining amount of SR 3.96 million and a provision has been made for the full amount. During August 2024, the ZATCA rejected the entire objection. The Company submitted an objection to the General Secretariat of the Zakat, Tax, and Customs Committees, and as of the date of issuing these interim condensed financial statements, the committees have not yet issued a decision as of the date of issuance of these interim condensed financial statements.

## 13 RELATED PARTIES TRANSACTIONS AND THEIR BALANCES

Top management employees are defined as people who have the authority and responsibility to plan, direct and control the Company's activities (directly or indirectly).

Transactions with related parties include salaries, bonuses and allowances of board of directors' members and senior executives that took place during the period between the Company and top management. Transactions with related parties were as follows:

### 13 RELATED PARTIES TRANSACTIONS AND THEIR BALANCES (continued)

|                                                              |                                  | For the nine-month period ended<br>30 September |                                |
|--------------------------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------------|
|                                                              |                                  | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Related parties                                              | Nature of the transaction        |                                                 |                                |
| Senior executives                                            | Short-term salaries and bonuses  | 5,332                                           | 4,736                          |
|                                                              | Employees end of service benefit | 962                                             | 831                            |
| Members of the Board of<br>Directors and other<br>committees | Bonuses and allowances           | 1,335                                           | 1,163                          |
|                                                              |                                  | <u>7,629</u>                                    | <u>6,730</u>                   |

### 14 REVENUE

14.1 The following is a breakdown of revenues from contracts with customers:

|                                                                     |  | For the nine-month period ended<br>30 September |                                |
|---------------------------------------------------------------------|--|-------------------------------------------------|--------------------------------|
|                                                                     |  | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Revenues from steel pipes manufacturing and<br>packaging activities |  | 725,137                                         | 970,281                        |
| Other operating revenues                                            |  | 11,495                                          | 9,112                          |
|                                                                     |  | <u>736,632</u>                                  | <u>979,393</u>                 |

14.2 Timing of revenue recognition:

|                                          |  | For the nine-month period ended<br>30 September |                                |
|------------------------------------------|--|-------------------------------------------------|--------------------------------|
|                                          |  | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Revenue recognized over a period of time |  | 351,537                                         | 724,970                        |
| Revenue recognized at a point in time    |  | 385,095                                         | 254,423                        |
|                                          |  | <u>736,632</u>                                  | <u>979,393</u>                 |

14.3 Geographic markets:

|                                     |  | For the nine-month period ended<br>30 September |                                |
|-------------------------------------|--|-------------------------------------------------|--------------------------------|
|                                     |  | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Inside the Kingdom of Saudi Arabia  |  | 727,975                                         | 974,620                        |
| Outside the Kingdom of Saudi Arabia |  | 8,657                                           | 4,773                          |
|                                     |  | <u>736,632</u>                                  | <u>979,393</u>                 |

## 14 REVENUE (continued)

### 14.4 Revenue by customer type:

|                             | For the nine-month period ended<br>30 September |                                |
|-----------------------------|-------------------------------------------------|--------------------------------|
|                             | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Semi-governmental customers | 351,537                                         | 724,970                        |
| Private sector customers    | 385,095                                         | 254,423                        |
|                             | <b>736,632</b>                                  | <b>979,393</b>                 |

14.5 The following table shows the aggregate amount of the transaction price allocated to performance obligations that are not satisfied (or partially not satisfied) as at the end of the period:

|                                                                                     | For the Nine-month period ended<br>30 September |                                |
|-------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------|
|                                                                                     | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Revenues from steel pipes manufacturing and packaging activities (ongoing projects) | 749,216                                         | 1,130,391                      |
|                                                                                     | <b>749,216</b>                                  | <b>1,130,391</b>               |

Management anticipates that all performance obligations related to unsatisfied contracts for steel pipe manufacturing and packaging activities as of 30 September 2025 to be completed within the year 2025 and 2026 (30 September 2024: during the years 2024 and 2025).

## 15 COSTS OF REVENUE

|                                               | For the nine-month period ended<br>30 September |                                |
|-----------------------------------------------|-------------------------------------------------|--------------------------------|
|                                               | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Raw materials                                 | 485,985                                         | 639,348                        |
| Salaries, wages and related benefits          | 46,701                                          | 47,514                         |
| Depreciation of property, plant and equipment | 23,673                                          | 25,180                         |
| Utilities                                     | 3,964                                           | 4,059                          |
| Maintenance expenses                          | 3,561                                           | 3,368                          |
| Depreciation of right to use assets           | 1,109                                           | 1,679                          |
| Impairment of property, plant and equipment   | 184                                             | 2,804                          |
| Others                                        | 1,322                                           | 2,083                          |
|                                               | <b>566,499</b>                                  | <b>726,035</b>                 |

## 16 OTHER INCOME

|                                                                                                                | For the nine-month period ended<br>30 September |                                |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------|
|                                                                                                                | 2025<br>(Unaudited)<br>SR '000                  | 2024<br>(Unaudited)<br>SR '000 |
| Reversal of provision no longer needed (*)                                                                     | 9,458                                           | -                              |
| Financing income from short-term Islamic Murabaha                                                              | 2,394                                           | 223                            |
| Financing revenues from Governmental grants                                                                    | 303                                             | 1,411                          |
| Gains from the derecognition of financial liabilities related to the Saudi National Development Fund financing | 197                                             | -                              |
| Currency Exchange losses                                                                                       | (1,762)                                         | (1,478)                        |
| Other                                                                                                          | 56                                              | 283                            |
|                                                                                                                | <b>10,646</b>                                   | <b>439</b>                     |

(\*) This amount relates to provisions the company had made in prior years for settlements requested by a major customer, which were reversed as the company obtained a final settlement from the customer in 2025.

## 17 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding as at the date of issuance of the interim condensed financial statements. Diluted earnings per share is the same as basic earnings per share since the Company has no diluted shares issued.

|                                                              | For the nine-month period ended<br>30 September |                     |
|--------------------------------------------------------------|-------------------------------------------------|---------------------|
|                                                              | 2025<br>(Unaudited)                             | 2024<br>(Unaudited) |
| Profit for the period attributable to shareholders (SR '000) | 102,373                                         | 155,721             |
| Weighted average number of shares ('000)                     | 200,000                                         | 200,000             |
| Basic and diluted earnings per share (SR)                    | <b>0.51</b>                                     | <b>0.78</b>         |

### Capital Increase:

The weighted average number of shares was calculated as if the capital increase had occurred from the beginning of 2024, as the increase in capital did not result from the injection of external funds, in accordance with the requirements of International Accounting Standard (IAS) 33 "Earnings per Share" adopted in the Kingdom of Saudi Arabia.

### Stock Split:

In accordance with the requirements of IAS 33 – "Earnings per Share", as adopted in the Kingdom of Saudi Arabia, if the Company carries out a split of the par value of its shares, the calculation of both basic and diluted earnings per share must be retrospectively adjusted for all periods presented.

## 18 SEGMENT REPORTING

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Company's Board of Directors monitors the results of the Company's operations and has been identified as the primary body responsible for making operational decisions. The Company's net results are disclosed to the entire Board of Directors. Additionally, the various expenses included in the measurement of the Company's net results are disclosed in the related notes to the interim condensed financial statements.

## **18 SEGMENT REPORTING (continued)**

The Company's Board of Directors monitors the results of the Company's operations and has been identified as the primary body responsible for making operational decisions. The Company's net results are disclosed to the entire Board of Directors. Additionally, the various expenses included in the measurement of the Company's net results are disclosed in the related notes to the interim condensed financial statements.

The Company's activities are limited to the manufacturing and packaging of steel pipes. The Company analyzes financial information for its operations as a whole. Accordingly, no segment analysis has been performed for the income statement, other comprehensive income statement, or the statement of financial position. The chief operating decision maker considers the company as a single operating segment based on the nature of its operations and products, as all of the Company's operations relate to a single operating segment. Additionally, the substantial portion of the Company's activities and all of its assets and liabilities are located within the Kingdom of Saudi Arabia. Revenues outside the Kingdom of Saudi Arabia did not exceed 10% of total revenues, geographic information regarding the company's revenues is disclosed in note (14-3).

## **19 COMMITMENTS AND CONTINGENCIES**

### **Contingencies**

As at 30 September 2025, the Company has outstanding letters of credit amounting to SR 95.2 million (31 December 2024: SR 110.9 million).

### **Bank guarantees**

The Company's banks have issued letter of guarantees with a maximum limit of SR 67.8 million (31 December 2024: SR 70.6 million)

### **Capital commitments**

As at 30 September 2025, the company had capital commitments of SR 350 thousand (31 December 2024: SR 960 thousand).

## **20 FAIR VALUE MEASUREMENT**

Fair value is the value at which assets are exchanged or liabilities are settled between willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. Financial assets include cash and cash equivalents, trade receivables, contract assets and short term Islamic Murabaha. Financial liabilities include bank facilities and term financing, trade payables, accrued expenses and other current liabilities and lease liabilities.

The management has assessed that the fair value of cash and cash equivalents, trade receivables, contract assets, short term Islamic Murabaha, bank facilities and term financing, trade payable, accrued expenses and other current liabilities and lease liabilities approximates their carrying amounts. This is mainly due to the short-term maturity of these instruments.

During the period ended 30 September 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2 of fair value measurement hierarchy, and there were no transfers to or from Level 3 of fair value measurement hierarchy.

## **21 RECLASSIFICATIONS**

The Company has reassessed the presentation of certain items in the financial statements to ensure that the presentation complies with the requirements of International Accounting Standard No. 1 “presentation of Financial Statements” as adopted in the Kingdom of Saudi Arabia. The details of the reclassification are outlined below:

a) During the year ended 31 December 2024, management noted that the foreign exchange losses arising from the Company's activities for the period ended 30 September 2024, amounting to SR 1.48 million, had been included under general and administrative expenses. The foreign exchange losses were reclassified from general and administrative expenses to the other income account, net.

b) During the year ended 31 December 2024, management noted that the proceeds from the sale of scrap for the period ended 30 September 2024, amounting to SR 9.11 million, had been included under other income, while the costs associated with the sale of this scrap had been kept under cost of sales. Since scrap is generated from every manufacturing process carried out by the Company on a daily basis and is considered a normal part of the Company's operations and sales, the proceeds from the sale of scrap were reclassified from the other income account, net to the revenue account.

## **22 INTERIM RESULTS**

The results of operations for nine-month period ended 30 September 2025 are not necessarily indicative of the annual results of the Company's operations.

## **23 SUBSEQUENT EVENTS**

Management is not aware of any significant subsequent events that would have a material impact on the interim condensed financial statements, except for those disclosed in Note 7.

## **24 APPROVALS OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements were approved by the board of directors on 5 Jumada al-Ula 1447 H (corresponding to 27 October 2025).