# EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

## INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)

### FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2026

# EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
# (LISTED JOINT STOCK COMPANY)

## INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)

For the three-month period ended 30 June 2026

| **Table of contents** | **Pages** |
|---|---|

Building a better working world

**Ernst & Young Professional Services (Professional LLC)**
**Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)**
Adeer Tower, 15th Floor
Prince Turki Bin Abdulaziz Street, Al Khobar Corniche
P.O. Box 3795
Al Khobar 31952
Kingdom of Saudi Arabia
Head Office – Riyadh

C.R. No. 2051058792

Tel: +966 13 840 4600
Fax: +966 13 882 0087

ey.ksa@sa.ey.com
ey.com

# INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

## Introduction

We have reviewed the accompanying interim condensed statement of financial position of East Pipes Integrated Company for Industry (Listed Joint Stock Company) (the "Company") as at 30 June 2026, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and 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")* as 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 Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

K20
EY
سجل تجاري ٢٠٥١٠٥٨٧٩٢
CR. 2051058792
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Ahmed Ibrahim Reda
Certified Public Accountant
License No. 356

Al Khobar: 9 Safar 1448H
23 July 2026

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)

# INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month period ended 30 June 2026

| | Notes | ***Three-month period ended 30 June*** | |
|---|---|---|---|
| | | ***2026*** | *2025* |
| | | **⃁** | ⃁ |
| | | ***(Unaudited)*** | *(Unaudited)* |
| Revenue from contracts with customers | 3 | **520,665,521** | 385,192,515 |
| Cost of revenue | 4 | **(383,943,194)** | (279,933,071) |
| **GROSS PROFIT** | | **136,722,327** | 105,259,444 |
| General and administration expenses | 5 | **(6,493,034)** | (6,614,811) |
| Selling and marketing expenses | 6 | **(921,532)** | (971,093) |
| Reversal of allowance for expected credit losses | 10.1 | **126,523** | 977,693 |
| **OPERATING PROFIT** | | **129,434,284** | 98,651,233 |
| Finance income | | **8,892,198** | 281,543 |
| Other operating income | | **212,551** | 5,648,497 |
| Finance costs | | **(1,373,056)** | (3,331,029) |
| **PROFIT BEFORE ZAKAT AND INCOME TAX** | | **137,165,977** | 101,250,244 |
| Zakat | 16.1 | **(6,990,364)** | (5,130,892) |
| Income tax | 16.5 | **(7,258,573)** | (5,852,002) |
| **PROFIT FOR THE PERIOD** | | **122,917,040** | 90,267,350 |
| **OTHER COMPREHENSIVE INCOME** | | | |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | | |
| Remeasurement gain on employees' defined benefit liabilities | | **2,245,288** | 343,181 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **125,162,328** | 90,610,531 |
| **BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS** | 7 | **3.90** | 2.87 |

DocuSigned by:
Vipul Mathur
9460FEAA9ECC4F9...

MS

| **Chairman** | **CEO-Interim & CFO** |
|---|---|
| Vipul Shiv Sahai Mathur | Mohamed Saleh Ali Darweesh |

The attached notes 1 to 21 form part of these interim condensed financial statements.

# INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2026

| | Notes | *30 June 2026* ⃁ *(Unaudited)* | *31 March 2026* ⃁ *(Audited)* |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 8 | **249,535,408** | 247,061,434 |
| Right-of-use assets | | **22,212,439** | 20,960,877 |
| Intangible assets | | **1,066,440** | 1,181,119 |
| **TOTAL NON–CURRENT ASSETS** | | **272,814,287** | 269,203,430 |
| **CURRENT ASSETS** | | | |
| Inventories | 9 | **154,115,689** | 261,630,541 |
| Trade receivables | 10 | **485,057,466** | 635,159,760 |
| Due from a related party | 17.1 | **14,902,529** | 712,500 |
| Prepayments and other current assets | 11 | **244,204,706** | 107,698,013 |
| Advances for income tax | 16.3 | **14,539,254** | 14,539,254 |
| Cash and cash equivalents | 12 | **797,894,357** | 680,946,579 |
| **TOTAL CURRENT ASSETS** | | **1,710,714,001** | 1,700,686,647 |
| **TOTAL ASSETS** | | **1,983,528,288** | 1,969,890,077 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | 13 | **315,000,000** | 315,000,000 |
| Retained earnings | | **1,247,989,627** | 1,248,827,299 |
| **TOTAL EQUITY** | | **1,562,989,627** | 1,563,827,299 |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Employees' defined benefit liabilities | | **33,197,555** | 34,413,241 |
| Deferred tax liabilities | 16.4 | **5,826,690** | 5,496,975 |
| Lease liabilities | | **9,789,982** | 13,067,526 |
| **TOTAL NON-CURRENT LIABILITIES** | | **48,814,227** | 52,977,742 |
| **CURRENT LIABILITIES** | | | |
| Accrued expenses and other current liabilities | 15 | **270,053,416** | 222,878,967 |
| Trade payables | | **21,225,248** | 65,296,173 |
| Current portion of lease liabilities | | **10,032,482** | 8,415,830 |
| Zakat and income tax provision | 16.1 | **70,413,288** | 56,494,066 |
| **TOTAL CURRENT LIABILITIES** | | **371,724,434** | 353,085,036 |
| **TOTAL LIABILITIES** | | **420,538,661** | 406,062,778 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,983,528,288** | 1,969,890,077 |

DocuSigned by:
Vipul Mathur
9460FEAA9ECC4F9...

| **Chairman** | **CEO-Interim & CFO** |
|---|---|
| Vipul Shiv Sahai Mathur | Mohamed Saleh Ali Darweesh |

The attached notes 1 to 21 form part of these interim condensed financial statements.

# INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three-month period ended 30 June 2026

| | *Share capital* ⃁ | *Statutory reserve* ⃁ | *Retained earnings* ⃁ | *Total equity* ⃁ |
|---|---|---|---|---|
| Balance as at 1 April 2025 (Audited) | 315,000,000 | 71,748,360 | 747,698,488 | 1,134,446,848 |
| Profit for the period | - | - | 90,267,350 | 90,267,350 |
| Other comprehensive income for the period | - | - | 343,181 | 343,181 |
| Total comprehensive income for the period | - | - | 90,610,531 | 90,610,531 |
| Balance at 30 June 2025 (Unaudited) | 315,000,000 | 71,748,360 | 838,309,019 | 1,225,057,379 |
| **Balance at 1 April 2026 (Audited)** | **315,000,000** | - | **1,248,827,299** | **1,563,827,299** |
| Profit for the period | **-** | **-** | **122,917,040** | **122,917,040** |
| Other comprehensive income for the period | **-** | **-** | **2,245,288** | **2,245,288** |
| Total comprehensive income for the period | **-** | **-** | **125,162,328** | **125,162,328** |
| Dividends (note 19) | **-** | **-** | **(126,000,000)** | **(126,000,000)** |
| **Balance at 30 June 2026 (Unaudited)** | **315,000,000** | - | **1,247,989,627** | **1,562,989,627** |

DocuSigned by:
Vipul Mathur
9460FEAA9ECC4F9...

| | |
|---|---|
| **Chairman** | **CEO-Interim & CFO** |
| Vipul Shiv Sahai Mathur | Mohamed Saleh Ali Darweesh |

The attached notes 1 to 21 form part of these interim condensed financial statements.

# INTERIM CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)

For the three-month period ended 30 June 2026

| | Notes | ***Three-month period ended 30 June*** *2026* ⃁ *(Unaudited)* | *2025* ⃁ *(Unaudited)* |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Profit before zakat and income tax | | **137,165,977** | 101,250,244 |
| *Adjustments to reconcile profit before zakat and income tax to net cash flows from operating activities:* | | | |
| Depreciation of property, plant, and equipment | 8 | **4,873,904** | 3,834,144 |
| Depreciation of right-of-use assets | | **2,472,504** | 1,631,367 |
| Amortisation of intangible assets | | **114,681** | 145,550 |
| (Reversal of provision) / Provision for inventory obsolescence | 9.2 | **(89,856)** | 51,788 |
| Reversal of allowance for expected credit losses | 10.1 | **(126,523)** | (977,693) |
| Adjustment for advance income tax | 16.3 | **-** | (6,435,545) |
| Finance income | | **(8,892,198)** | (281,543) |
| Finance costs | | **1,373,056** | 3,331,029 |
| Provision for employees end of service benefits | | **905,418** | 807,338 |
| | | **137,796,963** | 103,356,679 |
| *Working capital changes:* | | | |
| Inventories | | **107,604,708** | (153,387,295) |
| Trade receivables | | **150,228,817** | 199,483,846 |
| Prepayments and other current assets | | **(136,506,694)** | 120,393,644 |
| Due from a related party | | **(14,190,029)** | - |
| Trade payables | | **(44,070,925)** | (15,780,335) |
| Accrued expenses and other current liabilities | | **46,371,791** | (1,338,683) |
| **Cash generated from operations** | | **247,234,631** | 252,727,856 |
| Employees' end of service benefits paid | | **(76,867)** | (5,250) |
| Finance income received | | **8,892,198** | 281,543 |
| Finance costs paid | | **(743,407)** | (2,777,228) |
| **Net cash flows from operating activities** | | **255,306,555** | 250,226,921 |
| **INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | 8 | **(7,347,878)** | (1,823,915) |
| Purchases of intangible assets | | **-** | (11,552) |
| **Net cash used in investing activities** | | **(7,347,878)** | (1,835,467) |
| **FINANCING ACTIVITIES** | | | |
| Dividends paid | | **(126,000,000)** | - |
| Payments of lease liabilities | | **(5,010,899)** | (753,952) |
| Proceeds from short-term borrowings | | **-** | 194,168,751 |
| Repayments of short-term borrowings | | **-** | (199,168,751) |
| Repayment of long-term borrowings | | **-** | (33,750,000) |
| **Net cash flows used in financing activities** | | **(131,010,899)** | (39,503,952) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | **116,947,778** | 208,887,502 |
| Cash and cash equivalents at the beginning of the period | 12 | **680,946,579** | 7,950,222 |
| **Cash and cash equivalents at the end of the period** | 12 | **797,894,357** | 216,837,724 |

DocuSigned by:
Vipul Mathur
9460FEAA9ECC4F9...

M.S.

| **Chairman** | **CEO-Interim & CFO** |
|---|---|
| Vipul Shiv Sahai Mathur | Mohamed Saleh Ali Darweesh |

The attached notes 1 to 21 form part of these interim condensed financial statements.

## 1 CORPORATE INFORMATION

East Pipes Integrated Company for Industry (the “Company”) is a listed joint stock company licensed under foreign investment license number 121031118992 issued by the Ministry of Investment on 22 Rajab 1431H (corresponding to 4 July 2010) operating under unified number 7001643902 having Commercial Registration (“CR”) number 2050071522 issued in Dammam on 22 Rajab 1431H (corresponding to 4 July 2010). The Company is engaged in manufacturing of pipes, tubes, hollow shapes from iron and steel, and the processing and painting metals by refinement and polishing.

The registered address of the Company is P.O. Box 12943, Dammam 31483, Kingdom of Saudi Arabia. The Company's fiscal year begins on 1 April and ends on 31 March of each year.

The accompanying interim condensed financial statements include the operations of the Company and its branch operating under CR number 2050071524 issued in Dammam on 22 Rajab 1431H (corresponding to 4 July 2010).

The interim condensed financial statements of the Company as of 30 June 2026 were authorised for issuance by the Board of Directors on 7 Safar 1448H (corresponding to 21 July 2026).

## 2 BASIS FOR PREPARATION

### 2.1 Statement of compliance

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

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these interim condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 31 March 2026. In addition, the results of the operations for the period ended 30 June 2026 do not necessarily represent an indicator for the results of the operations for the year ending 31 March 2027.

### 2.2 Basis for measurement

The interim condensed financial statements are prepared under the historical cost convention using the accrual basis of accounting. For employees' post-employment benefits, actuarial present value calculations are used.

### 2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (“⃁”) which is also the functional currency of the Company.

### 2.4 Seasonality of the Company’s business

The Company is a project-based Company engaged in manufacturing of pipes and tubes from iron and steel as well as the processing and painting metals by refinement and polishing. Due to the project-based nature of this industry, higher revenues and operating profits are usually expected when the Company has ongoing projects, and the revenue recognition criteria is met.

This information is provided to allow for a better understanding of the results; however, management has concluded that this is not ’highly seasonal’ in accordance with IAS 34.

### 2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future.

**2 BASIS FOR PREPARATION (Continued)**

**2.5 Significant accounting judgements, estimates and assumptions (continued)**

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

As at 30 June 2026, management believes that all judgments and sources of estimation uncertainty remain similar to those disclosed in the Company's annual financial statements for the year ended 31 March 2026.

**2.6 New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2026, except for the adoption of new standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**Classification and Measurement of Financial Instruments – Amendments to IFRS**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

**Annual Improvements to IFRS accounting Standards – Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments had no impact on the Group's interim condensed financial statements.

**Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments did not have an impact on the Company's financial statements.

## 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

| | *For the three-month period ended 30 June* | |
|---|---|---|
| | ***2026*** | *2025* |
| | **⃁** | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| ***Type of goods or service*** | | |
| Revenue from sale of goods | **483,721,598** | 336,322,747 |
| Revenue from rendering of services | **36,943,923** | 48,869,768 |
| | **520,665,521** | 385,192,515 |
| ***Geographical markets*** | | |
| Kingdom of Saudi Arabia | **520,665,521** | 385,192,515 |

| | *For the three-month period ended 30 June* | |
|---|---|---|
| | ***2026*** | *2025* |
| | **⃁** | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| ***Timing of revenue recognition*** | | |
| Revenue recognised at a point in time | **483,721,598** | 339,524,493 |
| Revenue recognised over time | **36,943,923** | 45,668,022 |
| | **520,665,521** | 385,192,515 |

## 4 COST OF REVENUE

| | *For the three-month period ended 30 June* | |
|---|---|---|
| | ***2026*** | *2025* |
| | **⃁** | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Cost of materials | **340,499,994** | 240,693,830 |
| Salaries and employees' benefits | **25,583,410** | 23,840,018 |
| Short-term lease expenses | **5,347,903** | 5,226,679 |
| Depreciation of property, plant and equipment (Note 8) | **4,710,805** | 3,694,326 |
| Utilities expenses | **2,660,923** | 2,439,903 |
| Depreciation of right-of-use assets | **2,472,504** | 1,631,367 |
| Packing material | **1,249,583** | 974,296 |
| Repair expenses | **664,894** | 882,321 |
| Amortisation of intangible assets | **80,277** | 101,885 |
| Travel expenses | **63,725** | 73,710 |
| (Reversal of provision) / provision for inventory obsolescence | **(89,856)** | 51,788 |
| Others | **699,032** | 322,948 |
| | **383,943,194** | 279,933,071 |

## 5 GENERAL AND ADMINISTRATION EXPENSES

| | *For the three-month period ended 30 June* | |
|---|---|---|
| | ***2026*** | *2025* |
| | ⃁ | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Salaries and employees' benefits | **4,362,563** | 4,198,579 |
| Directors' fees | **886,415** | 1,039,500 |
| Professional fees | **314,363** | 407,291 |
| Utilities expenses | **357,292** | 342,123 |
| Repair expenses | **226,159** | 217,930 |
| Depreciation of property, plant and equipment (Note 8) | **114,458** | 95,210 |
| Short-term rent expenses | **55,408** | 17,888 |
| Amortisation of intangible assets | **22,936** | 29,110 |
| Travelling expenses | **18,058** | 34,598 |
| Others | **135,382** | 232,582 |
| | **6,493,034** | 6,614,811 |

## 6 SELLING AND MARKETING EXPENSES

| | *For the three-month period ended 30 June* | |
|---|---|---|
| | ***2026*** | *2025* |
| | ⃁ | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Salaries and employees' benefits | **742,050** | 735,591 |
| Depreciation of property, plant and equipment (Note 8) | **48,641** | 44,608 |
| Repair expenses | **41,837** | 49,313 |
| Travelling expenses | **15,820** | 74,555 |
| Amortisation of intangible assets | **11,468** | 14,555 |
| Sales and promotions expenses | **2,403** | 1,756 |
| Others | **59,313** | 50,715 |
| | **921,532** | 971,093 |

## 7 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit of the Company for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

**7 EARNINGS PER SHARE (continued)**

| | ***For the three-month period ended 30 June*** | |
|---|---|---|
| | ***2026*** | *2025* |
| | ⃁ | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Profit for the period | **122,917,040** | 90,267,350 |
| Weighted average number of ordinary shares | **31,500,000** | 31,500,000 |
| Basic and diluted earnings per share | **3.90** | 2.87 |

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these interim condensed financial statements.

## 8 PROPERTY, PLANT AND EQUIPMENT

| | *Buildings and leasehold improvements* | *Plant and machinery* | *Furniture, fixtures and office equipment* | *Vehicles* | *Capital work-in-progress* | *Total* |
|---|---|---|---|---|---|---|
| | ⃁ | ⃁ | ⃁ | ⃁ | ⃁ | ⃁ |
| **Cost** | | | | | | |
| At 1 April 2026 (Audited) | 77,323,149 | 600,684,557 | 9,299,584 | 2,069,813 | 6,382,822 | 695,759,925 |
| Additions | 85,650 | 67,763 | 261,916 | - | 6,932,549 | 7,347,878 |
| **At 30 June 2026 (Unaudited)** | **77,408,799** | **600,752,320** | **9,561,500** | **2,069,813** | **13,315,371** | **703,107,803** |
| **Accumulated depreciation** | | | | | | |
| At 1 April 2026 (Audited) | 56,340,845 | 384,653,498 | 6,108,177 | 1,595,971 | - | 448,698,491 |
| Charge for the period | 1,568,147 | 2,977,908 | 285,710 | 42,139 | - | 4,873,904 |
| **At 30 June 2026 (Unaudited)** | **57,908,992** | **387,631,406** | **6,393,887** | **1,638,110** | **-** | **453,572,395** |
| **Net book value** | | | | | | |
| **At 30 June 2026 (Unaudited)** | **19,499,807** | **213,120,914** | **3,167,613** | **431,703** | **13,315,371** | **249,535,408** |

**8 PROPERTY, PLANT AND EQUIPMENT (continued)**

| | *Buildings and leasehold improvements* | *Plant and machinery* | *Furniture, fixtures and office equipment* | *Vehicles* | *Capital work-in-progress* | *Total* |
|---|---|---|---|---|---|---|
| | ⃁ | ⃁ | ⃁ | ⃁ | ⃁ | ⃁ |
| Cost | | | | | | |
| At 1 April 2025 (Audited) | 75,057,247 | 567,104,321 | 8,021,028 | 2,069,813 | 2,118,530 | 654,370,939 |
| Additions | 111,225 | 400,976 | 49,658 | - | 41,841,941 | 42,403,800 |
| Transfer to inventory | - | (399,101) | - | - | - | (399,101) |
| Transfers from capital work in progress | 2,770,390 | 33,578,361 | 1,228,898 | - | (37,577,649) | - |
| Disposal during the year | (615,713) | - | - | - | - | (615,713) |
| At 31 March 2026 (Audited) | 77,323,149 | 600,684,557 | 9,299,584 | 2,069,813 | 6,382,822 | 695,759,925 |
| Accumulated depreciation | | | | | | |
| At 1 April 2025 (Audited) | 52,756,577 | 374,069,773 | 5,235,065 | 1,426,952 | - | 433,488,367 |
| Charge for the year | 4,078,988 | 10,583,725 | 873,112 | 169,019 | - | 15,704,844 |
| Disposal during the year | (494,720) | - | - | - | - | (494,720) |
| At 31 March 2026 (Audited) | 56,340,845 | 384,653,498 | 6,108,177 | 1,595,971 | - | 448,698,491 |
| Net book value | | | | | | |
| At 31 March 2026 (Audited) | 20,982,304 | 216,031,059 | 3,191,407 | 473,842 | 6,382,822 | 247,061,434 |

## 8 PROPERTY, PLANT AND EQUIPMENT (continued)

**8.1** Entire property, plant and equipment are mortgaged as security against loan obtained from SIDF.

**8.2** The production facilities and buildings of the Company are constructed on land leased at a nominal rent from the Saudi Authority for Industrial Cities and Technology Zones (Modon) for a period of 7-15 years expiring on 2031 and 2036, respectively.

**8.3** Depreciation of property, plant and equipment is allocated in the interim condensed statement of profit and loss as follows:

| | ***For the three-month period ended 30 June*** | |
|---|---|---|
| | ***2026*** | *2025* |
| | ⃁ | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Cost of revenue (Note 4) | **4,710,805** | 3,694,326 |
| General and administrative expenses (Note 5) | **114,458** | 95,210 |
| Selling and marketing expenses (Note 6) | **48,641** | 44,608 |
| | **4,873,904** | 3,834,144 |

## 9 INVENTORIES

| | *Notes* | ***30 June 2026*** | *31 March 2026* |
|---|---|---|---|
| | | ⃁ | ⃁ |
| | | ***(Unaudited)*** | *(Audited)* |
| Raw materials | *9.1* | **97,877,543** | 215,645,567 |
| Work-in-progress | | **4,849,214** | 3,770,917 |
| Finished products | | **38,681,094** | 30,539,434 |
| Spare parts and supplies, held not for sale | | **18,657,038** | 17,713,679 |
| | | **160,064,889** | 267,669,597 |
| Less: provision for inventory obsolescence | *9.2* | **(5,949,200)** | (6,039,056) |
| | | **154,115,689** | 261,630,541 |

**9.1** All raw material purchases are primarily against confirmed orders.

**9.2** Movement in provision for inventory obsolescence is as follows:

| | ***30 June 2026*** | *31 March 2026* |
|---|---|---|
| | ⃁ | ⃁ |
| | ***(Unaudited)*** | *(Audited)* |
| At the beginning of the period / year | **6,039,056** | 5,659,813 |
| Reversal/ charge for the period / year | **(89,856)** | 379,243 |
| At the end of the period / year | **5,949,200** | 6,039,056 |

## 10 TRADE RECEIVABLES

| | *Note* | ***30 June 2026*** ***⃁*** ***(Unaudited)*** | *31 March 2026* *⃁* *(Audited)* |
|---|---|---|---|
| Trade receivables | | **485,186,404** | 635,415,221 |
| Less: allowance for expected credit losses (ECL) | *10.1* | **(128,938)** | (255,461) |
| | | **485,057,466** | 635,159,760 |

**10.1** Movement in allowance for ECL is as follows:

| | ***30 June 2026*** ***⃁*** ***(Unaudited)*** | *31 March 2026* *⃁* *(Audited)* |
|---|---|---|
| At the beginning of the period / year | **255,461** | 1,094,909 |
| Reversals | **(126,523)** | (839,448) |
| At the end of the period / year | **128,938** | 255,461 |

## 11 PREPAYMENTS AND OTHER CURRENT ASSETS

| | *Note* | ***30 June 2026*** ***⃁*** ***(Unaudited)*** | *31 March 2026* *⃁* *(Audited)* |
|---|---|---|---|
| Advances to suppliers | *11.1* | **221,355,713** | 73,158,452 |
| Margin against letters of guarantee | | **1,242,990** | 23,425,318 |
| Contract assets | | **15,339,845** | 5,438,774 |
| Prepaid expenses | | **3,907,168** | 2,549,970 |
| Others | | **2,358,990** | 3,125,499 |
| | | **244,204,706** | 107,698,013 |

**11.1** Pertains to advances paid to suppliers for purchases of materials and services which are primarily against confirmed orders.

## 12 CASH AND CASH EQUIVALENTS

| | ***30 June 2026*** <br> **⃁** <br> ***(Unaudited)*** | *31 March 2026* <br> ⃁ <br> *(Audited)* |
|---|---|---|
| Cash at bank | **37,588,080** | 140,632,777 |
| Cash in hand | **37,137** | 49,270 |
| Short-term deposits | **760,269,140** | 540,264,532 |
| | **797,894,357** | 680,946,579 |

Short-term deposits represent placements with a commercial bank for an original period of less than three months and yield financial income at prevailing market rates i.e. 4.6% per annum (31 March 2026: 5.47% per annum).

## 13 SHARE CAPITAL

As at 30 June 2026, the authorised, issued and fully paid-up share capital comprised of 31,500,000 ordinary shares of ⃁ 10 each (31 March 2026: 31,500,000 ordinary shares of ⃁ 10 each).

Following are the major shareholders of the Company:

| | ***Shareholding Percentage*** | |
|---|---|---|
| | ***30 June 2026*** <br> ***(%)*** <br> ***(Unaudited)*** | *31 March 2026* <br> *(%)* <br> *(Audited)* |
| Welspun Mauritius Holdings Limited Company* | **-** | 4.50% |
| Welspun Pipes, Inc | **22%** | 22% |
| Saleh Muhammad Hamad Al-Hammadi | **9.98%** | 9.98% |
| General Public | **68.02%** | 63.52% |

* During the three-month period ended 30 June 2026, Welspun Mauritius Holdings Limited disposed of its remaining 4.5% equity interest in the Company.
As a result, Welspun Mauritius Holdings Limited is no longer a shareholder of the Company.

## 14 STATUTORY RESERVE

According to the newly enacted Companies Law and its implementing regulations effective in KSA starting 26 Jumada' II 1444H (corresponding to 19 January 2023), the mandatory statutory reserve requirement was abolished. In pursuant to this change, the Board of Directors resolved to amend the Company's Bylaws to exclude the requirement to maintain a statutory reserve. Further, Board of Directors of the Company recommended the transfer this reserve to retained earnings, which was approved by the shareholders in extra-ordinary general assembly meeting held on 24 Safar 1447H (corresponding to 18 August 2025). Accordingly, the statutory reserve of the Company has been transferred to retained earnings.

## 15 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | *Note* | ***30 June 2026*** ⃁ ***(Unaudited)*** | *31 March 2026* ⃁ *(Audited)* |
|---|---|---|---|
| Goods received invoice not received | | **172,548,286** | 102,928,797 |
| Advances from customers | | **55,085,588** | 46,821,505 |
| Accrued expenses | | **12,574,549** | 15,554,994 |
| Value added tax payable | | **19,950,322** | 40,180,376 |
| Accrued salaries and benefits | | **9,894,671** | 17,393,295 |
| | | **270,053,416** | 222,878,967 |

## 16 ZAKAT AND INCOME TAX MATTERS

### 16.1 Zakat and income tax provision

**Charge for the period**
Current tax charge consists of:

| | **Zakat** ⃁ | **Income tax** ⃁ | **Total** ⃁ |
|---|---|---|---|
| At 1 April 2026 (Audited) | **25,758,337** | **30,735,729** | **56,494,066** |
| **Provisions:** | | | |
| Current period | **6,990,364** | **6,928,858** | **13,919,222** |
| **At 30 June 2026 (Unaudited)** | **32,748,701** | **37,664,587** | **70,413,288** |

| | Zakat ⃁ | Income tax ⃁ | Total ⃁ |
|---|---|---|---|
| At 1 April 2025 (Audited) | 18,025,125 | 19,641,857 | 37,666,982 |
| Provisions: | | | |
| Current year | 25,666,210 | 30,727,537 | 56,393,747 |
| Prior years adjustment | (213,488) | (247,268) | (460,756) |
| | 25,452,722 | 30,480,269 | 55,932,991 |
| Payment | (5,422,754) | (7,931,296) | (13,354,050) |
| Adjusted against advance | (12,296,756) | (11,455,101) | (23,751,857) |
| At 31 March 2026 (Audited) | 25,758,337 | 30,735,729 | 56,494,066 |

Zakat is payable at 2.578% of the Zakat base, excluding adjusted profit for the period, attributable to the Saudi shareholders. Zakat on adjusted profit for the period is payable at 2.5%.

Income tax is payable at 20% of adjusted net profit attributable to the foreign shareholder. As at 30 June 2026 advance income tax amounts to 14.5 million (31 March 2026: ⃁ 14.5 million).

**16 ZAKAT AND INCOME TAX MATTERS (continued)**

**16.2 Status of assessments**

i. The Company has submitted its zakat and income tax returns to zakat, tax and customs authority "ZATCA" for the years up to 31 March 2025. The Company has obtained zakat and income tax certificates for the years till 31 March 2025. ZATCA has finalized the income tax and zakat assessments for the years ended 31 March 2014, 2016, 2017, and 2018 through 2020.

ii. ZATCA has not issued final assessments for the years ended 2015 and 2021, accordingly these years are deemed assessed based on the relevant time barred provisions in the Income Tax and Zakat Regulations.

iii. During 2025 and 2026, ZATCA issued assessments for the years ended 31 March 2022, 2023, and 2024, resulting in additional Zakat and tax liabilities which were fully settled by the Company. Accordingly, these years have been finalized by ZATCA.

iv. As of 30 June 2026, ZATCA has requested information relating to the year ended 31 March 2025, and the assessment remains under review.

**16.3 Advance income tax**

| | ***30 June 2026*** <br> ***⃁*** <br> ***(Unaudited)*** | *31 March 2026* <br> *⃁* <br> *(Audited)* |
|---|---|---|
| At 1 April | **14,539,254** | 23,751,858 |
| Payments | **-** | 14,539,254 |
| Adjusted against advance | **-** | (23,751,858) |
| | **14,539,254** | 14,539,254 |

**16.4 Deferred tax liabilities**

| ***At 30 June 2026 (Unaudited)*** | ***Carry forward losses*** <br> ***⃁*** | ***Employee benefits obligation*** <br> ***⃁*** | ***Provision for inventory obsolescence*** <br> ***⃁*** | ***Property, plant and equipment*** <br> ***⃁*** | ***Other*** <br> ***⃁*** | ***Total*** <br> ***⃁*** |
|---|---|---|---|---|---|---|
| At 1 April 2026 (Audited) | **-** | (1,823,901) | (320,060) | 7,618,135 | 22,801 | 5,496,975 |
| Charged debited / (credited) to: Profit or loss (Note 16.5) | **-** | **198,850** | **58,295** | **(4,115)** | **76,685** | **329,715** |
| At 30 June 2026 (Unaudited) | **-** | **(1,625,051)** | **(261,765)** | **7,614,020** | **99,486** | **5,826,690** |

## 16 ZAKAT AND INCOME TAX MATTERS (continued)

### 16.4 Deferred tax liabilities (continued)

| *At 31 March 2026 (Audited)* | *Carry forward losses* | *Employee benefits obligation* | *Provision for inventory obsolescence* | *Property, plant and equipment* | *Other* | *Total* |
|---|---|---|---|---|---|---|
| | ⃁ | ⃁ | ⃁ | ⃁ | ⃁ | ⃁ |
| At 1 April 2025 (Audited) | 7,786,851 | (1,625,856) | (335,010) | 8,132,519 | (86,543) | 13,871,961 |
| Charged (credited) / debited to: Profit or loss | (7,786,851) | (198,045) | 14,950 | (514,384) | 109,344 | (8,374,986) |
| At 31 March 2026 (Audited) | - | (1,823,901) | (320,060) | 7,618,135 | 22,801 | 5,496,975 |

### 16.5 Income tax charge

| | *For the three-month period ended 30 June* | |
|---|---|---|
| | ***2026*** | *2025* |
| | ⃁ | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Income tax | **6,928,858** | 4,646,214 |
| Deferred tax | **329,715** | 1,205,788 |
| | **7,258,573** | 5,852,002 |

## 17 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The Company in the normal course of business carries out transactions with various related parties.

| | **Nature of Transaction** | ***For the three-month period ended 30 June*** | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | ⃁ | ⃁ |
| **Welspun Corp Limited** | Purchases of pipes | **(50,803,589)** | - |
| | Payments against purchases of pipes | **65,743,618** | - |
| | Purchase of machinery | **(750,000)** | - |

The pricing policies and terms of payment of transactions with the related parties are approved by the Company's Board of Directors. The outstanding balances as at 30 June, 2026 are unsecured, interest free and settlement occurs in cash.

### 17.1 Amounts due from a related party presented under current assets:

| | ***Country of origin*** | ***30 June 2026*** | *31 March 2026* |
|---|---|---|---|
| | | ⃁ | ⃁ |
| *Welspun Corp Limited* | **India** | **14,902,529** | 712,500 |
| | | **14,902,529** | 712,500 |

**17 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

**17.2** Key management personnel compensation:

| | ***For the three-month period ended 30 June*** | |
|---|---|---|
| | ***2026*** | *2025* |
| | **⃁** | ⃁ |
| | ***(Unaudited)*** | *(Unaudited)* |
| Salaries and other short-term employee benefits | **1,472,238** | 1,439,557 |
| Remuneration and compensation of board members and other related committees | **886,415** | 1,039,500 |
| Post-Employment benefits | **59,619** | 58,238 |
| | **2,418,272** | 2,537,295 |

**18 CONTINGENCIES AND COMMITMENTS**

As at 30 June 2026, the Company was contingently liable for letters of credit and guarantee in the normal course of business amounting to ⃁ 528 million (31 March 2026: ⃁ 625 million).

**19 DIVIDENDS**

On 15 Dhul-Hijjah 1447H (corresponding to 1 June 2026), the Board of Directors resolved to distribute cash dividends of ⃁ 4 per share amounting to ⃁ 126 million for the second half of the year ended 31 March 2026.

**20 FAIR VALUE OF ASSETS AND LIABILITIES**

As at 30 June 2026 and 31 March 2026, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realised at their current carrying values within twelve months from the date of condensed statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

**21 EVENTS AFTER THE REPORTING DATE**

No events have arisen subsequent to 30 June 2026 and before the date of issuing the financial statements that could have a significant effect on the financial statements as at 30 June 2026.