GROUP FIVE PIPE SAUDI COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026 (UNAUDITED)
AND REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

GROUP FIVE PIPE SAUDI COMPANY

(A Saudi Joint Stock Company)

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REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION

To the shareholders
Group Five Pipe Saudi Company

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Group Five Pipe Saudi Company ("the Company"), a Saudi Joint Stock company, as of 30 June 2026 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information 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 this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The condensed interim financial information of the Company for the six-month period ended 30 June 2025 was reviewed by another auditor who expressed an unmodified review conclusion on such condensed interim financial information on 14 August 2025 (corresponding to 20 Safar 1447H). Further, the financial statements of the Company for the year ended 31 December 2025 were audited by another auditor who expressed an unmodified audit opinion on those financial statements on 16 March 2026 (corresponding to 27 Ramadan 1447H).

RSM Allied Accountants Professional Services

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية
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Mohammad Abdulmajeed Mohandes
License No. 564
Khobar, Kingdom of Saudi Arabia
31 August 2026 (corresponding to 18 Rabi Al'Awwal 1448H)

GROUP FIVE PIPE SAUDI COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

ASSETS	Note	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Non-current assets			
Property, plant and equipment	5	**494,819,996**	496,286,042
Right-of-use assets		**10,254,061**	10,833,346
Total non-current assets		**505,074,057**	507,119,388
Current assets			
Inventories		**110,884,727**	332,792,972
Trade receivables	6	**108,468,819**	354,944,717
Due from related parties – non-trade	11	**3,555,092**	106,555,423
Prepayments and other current assets	7	**16,852,513**	23,458,828
Restricted bank balance in escrow account	8.1	**162,386,042**	125,899,081
Cash and cash equivalents	8	**113,637,752**	136,545,031
Total current assets		**515,784,945**	1,080,196,052
TOTAL ASSETS		**1,020,859,002**	1,587,315,440
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**280,000,000**	280,000,000
Statutory reserve	16	**15,724,909**	15,724,909
Retained earnings		**216,767,857**	194,040,499
Total equity		**512,492,766**	489,765,408
Liabilities			
Non-current liabilities			
Long term loans	10	**10,750,000**	28,990,790
Lease liabilities		**10,819,046**	11,536,036
Employees' benefits obligations		**25,875,968**	24,298,971
Total non-current liabilities		**47,445,014**	64,825,797
Current liabilities			
Trade and other payables		**34,294,152**	160,044,632
Accrued expenses and other current liabilities		**65,968,413**	142,711,571
Contract liabilities	12	**15,869,101**	116,623,591
Long term loans - current portion	10	**36,481,582**	36,481,582
Lease liabilities - current portion		**1,015,853**	1,392,692
Short-term borrowings	9	**285,940,434**	554,058,839
Due to related parties - non-trade	11	**5,697,615**	5,781,391
Zakat provision	14	**15,654,072**	15,629,937
Total current liabilities		**460,921,222**	1,032,724,235
Total liabilities		**508,366,236**	1,097,550,032
TOTAL EQUITY AND LIABILITIES		**1,020,859,002**	1,587,315,440

The condensed interim financial information was approved by the Board of Directors of the Company on 30th August 2026 (corresponding to 17 Rabi Al'Awwal 1448H) and was signed on their behalf by:

Shaikh Salah Al-Qahtani	Tabish Sharif
(Managing Director)	(Acting CFO)

The accompanying notes form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited) (Refer - Note 23)
Revenue	12	**945,217,449**	922,301,986
Cost of revenue	13	**(746,317,671)**	(755,204,907)
Gross profit		**198,899,778**	167,097,079
Selling and distribution expenses		**(1,066,899)**	(1,376,509)
General and administrative expenses		**(12,761,693)**	(13,395,160)
Allowance for expected credit loss on advance to suppliers	7	**(8,654,976)**	-
Other income		**166,731**	773,861
Operating profit		**176,582,941**	153,099,271
Due from related parties written-off	11.1	**(5,722,680)**	-
Financial charges		**(23,827,714)**	(29,067,989)
Finance income		**-**	4,650,042
Profit before zakat		**147,032,547**	128,681,324
Zakat expense	14	**(3,905,189)**	(3,496,689)
Profit for the period		**143,127,358**	125,184,635
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**143,127,358**	125,184,635
Earnings per share			
Basic and diluted earnings per share	21	**5.11**	4.47

The condensed interim financial information was approved by the Board of Directors of the Company on 30th August 2026 (corresponding to 17 Rabi Al'Awwal 1448H) and was signed on their behalf by:

Shaikh Salah Al-Qahtani
(Managing Director)

Tabish Sharif
(Acting CFO)

The accompanying notes form an integral part of this condensed interim financial information.

GROUP FIVE PIPE SAUDI COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	**Statutory reserve**	**Retained earnings**	**Total equity**
As at 1 January 2025 (Audited)	280,000,000	15,724,909	65,940,592	361,665,501
Profit for the period	-	-	125,184,635	125,184,635
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	125,184,635	125,184,635
Dividends (Note 15)	-	-	(14,000,000)	(14,000,000)
As at 30 June 2025 (Unaudited)	280,000,000	15,724,909	177,125,227	472,850,136
As at 1 January 2026 (Audited)	280,000,000	15,724,909	194,040,499	489,765,408
Profit for the period	-	-	**143,127,358**	**143,127,358**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	**143,127,358**	**143,127,358**
Dividends (Note 15)	-	-	**(120,400,000)**	**(120,400,000)**
As at 30 June 2026 (Unaudited)	**280,000,000**	**15,724,909**	**216,767,857**	**512,492,766**

The condensed interim financial information was approved by the Board of Directors of the Company on 30th August 2026 (corresponding to 17 Rabi Al'Awwal 1448H) and was signed on their behalf by:

Shaikh Salah Al-Qahtani
(Managing Director)

Tabish Sharif
(Acting CFO)

The accompanying notes form an integral part of this condensed interim financial information.

GROUP FIVE PIPE SAUDI COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities			
Profit before zakat		**147,032,547**	128,681,324
Adjustment for:			
Depreciation of property, plant and equipment	5	**10,557,803**	10,407,659
Depreciation of right-of-use assets		**579,285**	650,394
Due from related parties written-off	11	**5,722,680**	-
Allowance for expected credit loss on advance to suppliers	7	**8,654,976**	-
Employees' benefits obligations		**1,600,931**	827,260
Financial charges		**23,827,714**	29,067,989
Finance income		**-**	(4,650,042)
		197,975,936	164,984,584
Changes in operating assets and liabilities:			
Decrease in inventories		**221,908,245**	136,021,876
Increase in prepayments and other current assets		**(2,048,661)**	(24,166,663)
Increase in due from related parties		**(300,082)**	(5,168,087)
Decrease / (increase) in trade receivables		**246,475,898**	(41,122,197)
(Decrease) / increase in trade and other payables		**(125,750,480)**	10,361,553
Decrease in due to related parties		**(117,976)**	(94,267)
(Decrease) / increase in accrued expenses and other current liabilities		**(76,743,158)**	48,123,188
Decrease in contract liabilities		**(100,754,490)**	-
Cash generated from operations		**360,645,232**	288,939,987
Employees' benefits obligations paid		**(504,110)**	(891,300)
Financial charges paid		**(22,939,110)**	(23,158,467)
Zakat paid	14	**(3,881,054)**	(3,557,854)
Net cash generated from operating activities		**333,320,958**	261,332,366
Cash flows from an investing activity			
Payments for purchase of property, plant and equipment	5	**(9,091,757)**	(3,078,518)
Cash flows from financing activities			
Long term loan, net		**(18,240,790)**	7,441,949
Short-term borrowing repaid, net		**(268,118,405)**	(317,940,910)
Principal payment of lease liabilities		**(1,093,829)**	(1,237,899)
Interest payment of lease liabilities		**(408,428)**	(259,688)
Change in due to related parties		**34,200**	86,038
Dividends paid	15	**(22,822,267)**	(14,000,000)
Net change in restricted cash		**(36,486,961)**	64,372,313
Net cash used in financing activities		**(347,136,480)**	(261,538,197)
Net decrease in cash and cash equivalents		**(22,907,279)**	(3,284,349)
Cash and cash equivalents at the beginning of the period		**136,545,031**	225,082,851
Cash and cash equivalents at the end of the period		**113,637,752**	221,798,502
Supplementary non-cash financial information	22		

The condensed interim financial information was approved by the Board of Directors of the Company on 30th August 2026 (corresponding to 17 Rabi Al'Awwal 1448H) and was signed on their behalf by:

Shaikh Salah Al-Qahtani
(Managing Director)

Tabish Sharif
(Acting CFO)

The accompanying notes form an integral part of this condensed interim financial information.

1. GENERAL INFORMATION

Group Five Pipe Saudi Company ("the Company") is a Saudi joint stock company initially registered on 16 Dhul-Hijjah 1421H (corresponding to 11th March 2001) under Commercial Registration ("CR") number 2050037927 as a limited liability company with a share capital of Saudi Riyals 30 million. The legal status of the Company was converted to a closed joint stock company pursuant to a shareholders' resolution dated 19 January 2021. The Ministry of Commerce issued a letter dated 19 Jumada Al-Akhira 1442H (corresponding to 1 February 2021) providing approval for such conversion of legal status of the Company and the change was reflected on the Company's unified number 7015054740 (CR number 2050104647) and unified number 7001408173 (CR number 2050037927). The Company submitted listing applications to Capital Market Authority ("CMA") and the Saudi Exchange in March 2021. The Company received approval for listing from Saudi exchange on 14 Shawwal 1442H (corresponding to 26 May 2021), final approval from CMA was provided on 22 Safar 1443H (corresponding to 29 September 2021) and the Company was listed on Nomu-Parallel market on 24 Rabi' al-Thani 1443H (corresponding to 29 November 2021).

The authorized, issued and paid-up share capital of the Company as at 30 June 2026 and 31 December 2025 comprised 28 million shares, of Saudi Riyals 10 each.

The principal activity of the Company is the production of spirally welded pipes. The Company's primary place of business is in the second industrial city, Dammam, the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information for the six-month period ended 30 June 2026 ("Interim Financial Information") has been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025. Further, the interim results for the six-month period may not be an indicator of the annual results of the Company.

2.2 Basis of measurement

This condensed interim financial information has been prepared using the accrual basis of accounting and the going concern assumption under the historical cost convention.

2.3 Functional and presentation currency

Items included in the condensed interim financial information of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The condensed interim financial information is presented in Saudi Arabian Riyals ("Saudi Riyals").

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATION, AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATION

A number of new and amended standards became applicable for the current reporting period.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7.
- Annual improvements to IFRS - Volume 11.
- IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.

The adoption of above amendments did not have a material impact on the condensed interim financial information.

Certain new accounting standards, amendments and interpretations have been published that are mandatory from 1 July 2026 or later reporting periods and have not been early adopted by the Company. The Company is in the process of assessing the impacts of new standards and interpretations on its condensed interim financial information.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted in the preparation of the condensed interim financial information is consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Company's condensed interim financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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 could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the last annual financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the change in estimates affect both current and future periods.

(All amounts in Saudi Riyals unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Buildings and improvements	Vehicles	Furniture, fixtures and office equipment	Capital work-in-progress (CWIP)	Total
Cost						
As at 1 January 2025 (audited)	626,549,304	139,064,882	1,315,578	6,764,358	1,793,591	775,487,713
Additions	1,452,933	296,233	155,700	530,223	5,687,694	8,122,783
Transfers	984,042	925,480	-	-	(1,909,522)	-
As at 31 December 2025 (audited)	628,986,279	140,286,595	1,471,278	7,294,581	5,571,763	783,610,496
Additions	**269,042**	**-**	**1,139,640**	**196,779**	**7,486,296**	**9,091,757**
As at 30 June 2026 (unaudited)	**629,255,321**	**140,286,595**	**2,610,918**	**7,491,360**	**13,058,059**	**792,702,253**
Accumulated depreciation						
As at 1 January 2025 (audited)	221,595,758	38,125,165	1,053,860	5,531,583	-	266,306,366
Charge for the year	15,759,903	4,804,756	126,437	326,992	-	21,018,088
As at 31 December 2025 (audited)	237,355,661	42,929,921	1,180,297	5,858,575	-	287,324,454
Charge for the period	**7,901,897**	**2,302,874**	**156,140**	**196,892**	**-**	**10,557,803**
As at 30 June 2026 (unaudited)	**245,257,558**	**45,232,795**	**1,336,437**	**6,055,467**	**-**	**297,882,257**
Net book value:						
As at 30 June 2026 (unaudited)	**383,997,763**	**95,053,800**	**1,274,481**	**1,435,893**	**13,058,059**	**494,819,996**
As at 31 December 2025 (audited)	391,630,618	97,356,674	290,981	1,436,006	5,571,763	496,286,042

The buildings are constructed on land parcels leased from Saudi Authority for Industrial Cities and Technology Zones ("MODON") for period ranging from 7 to 20 years. The lease is renewable upon the expiry of the initial lease term for a period to be mutually agreed.

Capital work-in-progress (CWIP) amounting to Saudi Riyals 13.1 million mainly comprises the advances given to upgrade the existing plant and machinery technology. These works are expected to be finalized in 2027.

(All amounts in Saudi Riyals unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

5.1 Depreciation charge for the period / year has been allocated as:

	30 June 2026	31 December 2025	30 June 2025
	(Unaudited)	(Audited)	(Unaudited)
Cost of revenue (Note 13)	**10,389,973**	20,777,970	10,282,375
General and administrative expenses	**160,614**	224,044	117,076
Selling and distribution expenses	**7,216**	16,074	8,208
	10,557,803	21,018,088	10,407,659

6. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Trade receivables	**245,526,679**	492,002,577
Less: allowance for expected credit losses	**(137,057,860)**	(137,057,860)
	108,468,819	354,944,717

Movement in allowance for expected credit losses is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
At beginning of the period / year	**137,057,860**	9,629,352
Charge for the period / year	**-**	127,428,508
At end of the period / year	**137,057,860**	137,057,860

No interest is charged on trade receivables. The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses ("ECL") using simplified approach.

During the year 2025, the Company's management assessed the recoverability of aged receivable balances for over one year and recognized an ECL allowance amounting to Saudi Riyals 127.4 million, in accordance with the requirements of IFRS 9. As of 30 June 2026, the outstanding receivable balances are due within normal credit terms for not more than 90 days, and no additional ECL allowance is recognised.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets include supplier advances amounting Saudi Riyal 19.9 million, against which an ECL allowance of Saudi Riyal 8.65 million has been recognized during the period due to long-outstanding balance of supplier advances for which recoverability or utilisation is considered uncertain.

(All amounts in Saudi Riyals unless otherwise stated)

8. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Cash in hand	**176,633**	133,920
Cash at banks	**275,847,161**	262,310,192
Restricted bank balance in escrow account (Note 8.1)	**(162,386,042)**	(125,899,081)
Cash and cash equivalents in the interim condensed statement of financial position	**113,637,752**	136,545,031

8.1 Restricted bank balances represent customer proceeds received in escrow accounts under financing arrangements, whereby the banks recover outstanding facility balances before releasing the remaining funds to the Company.

9. SHORT-TERM BORROWINGS

The short-term borrowings from commercial banks are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Short-term borrowings	**285,940,434**	554,058,839

The Company has obtained such borrowings from local commercial banks in the form of short-term loans for working capital requirements. These loans carry financial charges at the prevailing market rates and are secured against assignment of proceed from customers in favor of the banks, and through promissory notes and guarantees provided by certain shareholders.

10. LONG TERM LOANS

The Company has obtained long-term loans from local commercial banks with details as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Loan 1 (Note 10.1)	**22,148,248**	33,222,372
Loan 2 (Note 10.2)	**25,083,334**	32,250,000
	47,231,582	65,472,372

The long-term loans are presented in the statement of financial position as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Current	**36,481,582**	36,481,582
Non-current	**10,750,000**	28,990,790
	47,231,582	65,472,372

10.1 Loan 1

In 2016, the Company obtained a long-term loan from a local bank amounting to Saudi Riyals 176.03 million. The loan is repayable in 14 equal semi-annual instalments starting from 2020. The loan is secured principally by personal guarantees from certain shareholders and promissory note and bears interest of one-year SIBOR plus margin. The loan agreement requires the Company to maintain certain covenants including financial ratios. As at 30 June 2026, and 31 December 2025 the Company is in compliance with its respective covenants.

(All amounts in Saudi Riyals unless otherwise stated)

10. LONG TERM LOANS (CONTINUED)

10.2 Loan 2

In 2025, the Company rescheduled a short-term facility into long-term loan. The loan is secured principally by personal guarantees from certain shareholders and promissory note and bears interest of one-year SIBOR plus margin. The loan is repayable in 36 equal monthly installments.

The aggregate maturities of long-term loans are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
2026	**14,947,277**	36,481,582
2027	**28,700,972**	25,407,457
2028	**3,583,333**	3,583,333
	47,231,582	65,472,372

11. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties include shareholders, other related parties, directors, and key management personnel of the Company. Other related parties are the companies that are controlled by the specific shareholders. The terms and conditions of such transactions are approved by the management. Below is the list of the Company's related parties:

Name	**Relationship**
Abdullah Abdel Hadi Abdullah Al-Qahtani	Shareholder
Salah Abdel Hadi Abdullah Al-Qahtani	Shareholder
Tariq Abdel Hadi Abdullah Al-Qahtani	Shareholder
Al-Qahtani Pipe Coating Industries	Shareholder
Abdel Hadi Abdullah Al-Qahtani and Sons Co.	Other related party
Al Qahtani Nails & Galvanized Wire Factory	Other related party
Al Hijaz Water Company	Other related party
International Commercial Enterprises Co.	Other related party
Abdel Hadi Al-Qahtani Travel Bureau	Other related party
Arabian Valves Manufacturing Company	Other related party
Al Qahtani Vehicle and Machinery	Other related party
Pipelines Flow Chemicals Company	Other related party
Saudi Arabian Overseas Services	Other related party
Earadat Transportation Company	Other related party
Al Qahtani PCK Pipe Company	Other related party
Izar for Insurance Brokerage Company	Other related party
Pipe and Well Maintenance and Operation Service Company	Other related party
Arabian Commercial Services Company	Other related party
Riyal Investment & Development Company	Other related party
APV Middle East Limited	Other related party

(All amounts in Saudi Riyals unless otherwise stated)

11. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

The significant transactions with related parties are as follows:

Nature of transactions		**Transaction value for the six-month period ended 30 June**	
	Note	**2026**	2025
		(Unaudited)	(Unaudited)
Transactions with shareholders			
Revenue from sale of welding materials		**10,764**	138,000
Transaction with other related parties			
Offset of related party balances against dividend	11.1	**97,577,733**	-
Due from related parties written-off	11.1	**5,722,680**	-
Finance charges on outstanding receivables		**-**	4,650,042
Expenses incurred and payments made by Company on behalf of other related parties		**-**	280,775
Purchase of air tickets		**926,954**	512,396
Purchase of spare parts		**77,553**	228,657
Lease rentals related to vehicles		**336,212**	325,802
Expenses incurred and payments made on behalf of Company		**34,200**	86,038
Purchase of insurance policy		**490,968**	-
Payments made to related parties		**2,136,384**	2,665,250

Due from related parties consist of the following:

		Balance outstanding as at	
	Note	**30 June 2026**	31 December 2025
		(Unaudited)	(Audited)
Abdul Hadi Abdullah Al Qahtani & Sons Co.	11.1	**-**	80,420,721
Al-Qahtani Nails and Galvanized Wires	11.1	**-**	17,453,885
AlHijaz Water Co	11.1	**-**	5,425,807
Al-Qahtani PCK Steel Pipes Co. Ltd		**1,961,890**	1,961,890
Al-Qahtani Pipe Coating Industries		**1,239,783**	1,229,019
Pipe and Well O and Services		**1,716,646**	1,716,646
Abdul Hadi Al Qahtani Travel Bureau		**345,198**	-
International Commercial Enterprises Co.		**397,683**	397,683
Al Qahtani Vehicle & Machinery Co.		**209,488**	209,488
Arabian Italian Valves Manufacturing Co.		**171,424**	171,424
Pipeline Flow Chemicals Co. (DRA)		**85,230**	85,230
Saudi Arabian Overseas Services Inc.		**120,373**	149,986
IZAR For Insurance Brokerage Co..		**-**	26,267
		6,247,715	109,248,046
Expected credit loss allowance on due from related parties		**(2,692,623)**	(2,692,623)
Due from related parties - current		**3,555,092**	106,555,423

(All amounts in Saudi Riyals unless otherwise stated)

11. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Due to related parties consists of the following:

	Balance outstanding as at	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Earadat Transport Co	**4,003,947**	4,003,947
A H Q & Sons Co (Construction Division)	**1,513,724**	1,513,724
Arabian Commercial Services Co. Ltd.	**88,492**	122,692
Riyal Investment & Development Co.	**61,483**	110,513
IZAR For Insurance Brokerage Co.	**29,969**	-
Abdul Hadi Al Qahtani Travel Bureau	**-**	30,515
	5,697,615	5,781,391

Key management personnel compensation:

Key management personnel of the Company comprise key members of management having authority and responsibility for planning, directing, and controlling the activities of the Company.

Nature of transactions	**Transaction value for the six-month period ended 30 June**		**Balance outstanding as at**	
	2026 (Unaudited)	2025 (Unaudited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Short term benefits	**2,093,424**	1,981,914	**-**	348,904
Board Remuneration	**448,000**	448,000	**448,000**	1,553,000
Employees' benefits obligations	**98,345**	100,913	**1,042,031**	883,130
			1,490,031	2,785,034

11.1 During the six-month period ended 30 June 2026, due from related party balances amounting to Saudi Riyals 103,300,413 were settled, out of which Saudi Riyals 97,577,733 were settled against dividends payable to shareholders of the Company who also hold ownership interests in the respective related parties. The remaining balance of Saudi Riyals 5,722,680 was written-off following an assessment of recoverability.

12. REVENUE

The Company generates all its revenue locally within the Kingdom of Saudi Arabia from sale of goods at a point in time:

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Pipe sales	**928,869,897**	903,367,239
Scrap sales	**16,347,552**	18,934,747
	945,217,449	922,301,986

During the six-month period ended 30 June 2026, Saudi Riyals 101 million is recognized as revenue from opening balance of contract liabilities. Such movement is in the ordinary course of business.

(All amounts in Saudi Riyals unless otherwise stated)

13. COST OF REVENUE

	For the six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Material cost	**657,627,033**	680,911,418
Factory overheads	**53,735,943**	39,420,418
Direct labor	**24,101,295**	24,066,163
Depreciation on property, plant and equipment (Note 5)	**10,389,973**	10,282,375
Depreciation on right-of-use assets	**463,427**	524,533
	746,317,671	755,204,907

14. ZAKAT

The zakat charge for the period is Saudi Riyals 3.9 million (30 June 2025: Saudi Riyals 3.5 million). The Company has submitted its zakat returns for the years through 2025 and obtained zakat certificate which is valid till 30 April 2027.

The zakat assessment for the years 2003 to 2010 and 2016 to 2018 has been finalized with ZATCA. The Company has not yet received assessments for the year 2011 to 2015, 2019 and 2020 and understand that these years are considered time barred based on ZATCA regulations. Further, assessment for the year 2022 is not yet received from ZATCA.

During the year 2025, the Company received an assessment for the year 2023 from ZATCA, amounting to Saudi Riyals 8,054,561. The Company paid Saudi Riyals 314,051 and filed an appeal with ZATCA against the remaining assessment amount. Further, during the six-month period ended 30 June 2026, ZATCA issued an assessment for the year 2024 amounting to Saudi Riyals 147,850 which was fully settled by the Company. The Company has already recognized a provision for appeal filed for the year 2023, while based on the nature of disallowances for year 2023 and 2024 the management believes that no additional liability will arise upon issuance of assessments for the unassessed periods.

15. DIVIDENDS

On 14 June 2026, the shareholders in general assembly resolved to distribute dividends of Saudi Riyals 120.4 million (at Saudi Riyals 4.3 per share). During the period, dividends amounting to Saudi Riyals 97.6 million were adjusted against outstanding balances due from related parties whose shareholders are also shareholders of the Company, also see Note 11. The remaining dividend amounting to Saudi Riyals 22.8 million was fully paid during the period.

16. STATUTORY RESERVE

In accordance with Company’s previous By-laws, the Company was required to maintain a statutory reserve equal to 30% of its share capital. In accordance with the latest updated Regulations for Companies in KSA, the mandatory statutory reserve requirement has been abolished. On 19 Sha’ban 1445H (corresponding to 29 February 2024), the Company’s general assembly approved amending the Company’s By-laws to comply with the new Regulations for Companies to remove the article of By-laws related to the Company’s statutory reserve. On such basis, the Board of Directors are under process to recommend to the general assembly to approve the transfer of the entire statutory reserve to retained earnings.

17. CONTINGENCIES AND COMMITMENTS

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Letters of guarantee	**279,558,537**	440,639,030

Letters of guarantee are issued in the normal course of business by the financial institutions on behalf of the Company to its suppliers and customers. Keeping in perspective the nature of the business, management believes that the possibility of any outflow by utilizing or encashment of such letters of guarantee is remote. Further, there are no significant outstanding commitments as of 30 June 2026.

(All amounts in Saudi Riyals unless otherwise stated)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's principal financial assets include cash and cash equivalents, due from related parties and trade and other receivables that derive directly from its operations. The Company's principal financial liabilities comprise borrowings, due to related parties, trade payables, accrued expenses and other liabilities and lease liability. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's risk management policies and procedures are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025.

19. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Company's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

20. EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events that occurred between 30 June 2026 and the date of approval of this condensed interim financial information, which may have material impact on this condensed interim financial information.

21. EARNINGS PER SHARE

Basic earnings per share for profit attributable to ordinary shares holders for the period are computed based on the weighted average number of shares outstanding during such periods.

The diluted earnings per share are the same as the basic earnings per share because the Company does not have any dilutive instruments in issue.

	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Profit for the period	**143,127,358**	125,184,635
Weighted average number of shares	**28,000,000**	28,000,000
Basic and diluted earnings per share	**5.11**	4.47

22. SUPPLEMENTARY NON-CASH FINANCIAL INFORMATION

		For the six-month period ended 30 June	
	Note	**2026 (Unaudited)**	2025 (Unaudited)
Non-cash investing and financing activities:			
Offset of related party balances against dividend	11	**97,577,733**	-
Transfer from capital work in progress		**-**	110,025
Additions to write of use and lease liabilities		**-**	272,083

(All amounts in Saudi Riyals unless otherwise stated)

23. COMPARATIVE FIGURES AND RECLASSIFICATION

Certain of prior period amounts have been reclassified to conform with the presentation in the current period as follows:

	For the six-month period ended 30 June 2025, as previously reported	Reclassification	For the six-month period ended 30 June 2025, after reclassification
Cost of revenue	759,777,037	(4,572,130)	**755,204,907**
Other income	(4,839,994)	4,066,133	**(773,861)**
Financial charges	28,561,992	505,997	**29,067,989**

None of the reclassifications had an impact on the profit or equity of the Company.

RECLASSIFICATION:

During the period ended 30 June 2026, in continuation with the assessment performed in the year 2025, management has re-evaluated the classification for certain amounts recorded in the financial statements in the prior year and current period to determine the accuracy of such classification under IFRS as endorsed in the Kingdom of Saudi Arabia. As a result of such assessments, management has reclassified certain comparative figures as below:

For the period ended 30 June 2025, other income amounting to Saudi Riyals 4 million has been reclassified to cost of revenue under direct materials in the condensed interim statement of profit or loss and other comprehensive income.

Further, an amount of Saudi Riyals 0.5 million has been reclassified to financial charges from cost of revenues in the condensed interim statement of profit or loss and other comprehensive income.

These reclassification adjustments relate solely to the comparative information for the period ended 30 June 2025 and had no impact on the condensed interim statement of financial position as of June 30, 2025, the condensed interim statement of changes in equity, or the condensed interim statement of cash flows for six- month period ended 30 June 2025.

24. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information were approved by the Board of Directors of the Company and authorized for issuance on 30th August 2026 (corresponding to 17 Rabi Al'Awwal 1448H).