

RIYADH STEEL COMPANY
A SAUDI JOINT STOCK COMPANY

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements

To the Shareholders of
Riyadh Steel Company
Saudi Joint Stock Company

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Riyadh Steel Company (the "Company") (and its subsidiary together "the Group") as of 30 June 2025 and the interim condensed consolidated 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 (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated 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 consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim 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

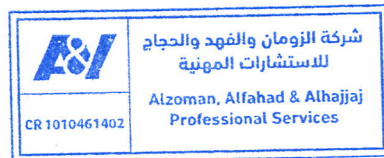
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified audit opinion on those consolidated financial statements on 23 Ramadan 1446H (corresponding to 23 March 2025). Further, the interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2024, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 11 Safar 1446H (corresponding to 15 August 2024).

For Alzoman and Alfahad & Alhajjaj Professional Services

Zaher Abdullah Al-Hajjaj
Certified Public Accountant
License No. 562



Riyadh, Kingdom of Saudi Arabia

Date: 2 Rabi' al-Awwal 1447
Corresponding to: 25 August 2025

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,670,202	11,957,605
Right of use assets	6	11,837,433	12,476,596
Intangible assets		202,500	-
TOTAL NON-CURRENT ASSETS		22,710,135	24,434,201
CURRENT ASSETS			
Inventories	7	42,593,007	33,841,889
Trade receivables	8	16,928,073	21,483,393
Prepayments and other current assets		1,990,023	2,091,307
Cash and cash equivalents	9	18,625,913	21,764,176
TOTAL CURRENT ASSETS		80,137,016	79,180,765
TOTAL ASSETS		102,847,151	103,614,966
EQUITY AND LIABILITIES			
EQUITY			
Share capital		70,000,000	70,000,000
Retained earnings		11,556,521	9,102,409
Reserve for remeasurement of employee's defined benefit obligation		(1,245,715)	(1,245,715)
TOTAL EQUITY		80,310,806	77,856,694
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	6	10,856,034	11,317,591
Employees defined benefits obligation		4,878,674	4,489,766
TOTAL NON-CURRENT LIABILITIES		15,734,708	15,807,357
CURRENT LIABILITIES			
Lease liabilities	6	1,377,683	1,232,120
Trade payables		1,215,263	2,802,828
Accrued expenses and other liabilities		3,428,691	4,278,202
Zakat provision	10	780,000	1,637,765
TOTAL CURRENT LIABILITIES		6,801,637	9,950,915
TOTAL LIABILITIES		22,536,345	25,758,272
TOTAL EQUITY AND LIABILITIES		102,847,151	103,614,966



Tarik Bin Abdul Rehman Alghannam
Chairman of the board



Abdullah Radhwan Abdo Ali
Chief Executive Officer



Mohammad Usman Khan
Chief Financial Officer

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Sales	12	82,420,895	70,653,562
Cost of sales		(74,754,155)	(61,080,224)
Gross profit		7,666,740	9,573,338
Selling and marketing expenses		(1,393,080)	(1,482,075)
General and administrative expenses		(3,237,219)	(4,692,393)
Operating profit		3,036,441	3,398,870
Finance cost	6	(354,969)	(954,417)
Finance income		377,930	448,213
Other income		180,573	439,954
Profit before Zakat		3,239,975	3,332,620
Zakat	10	(785,863)	(798,384)
Profit for the period		2,454,112	2,534,236
Total comprehensive income for the period		2,454,112	2,534,236
Basic and diluted earnings per share	13	0.04	0.04



Tarik Bin Abdul Rehman Alghannam
Chairman of the board



Abdullah Radhwan Abdo Ali
Chief Executive Officer



Mohammad Usman Khan
Chief Financial Officer

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserves	Retained earnings	Reserves for remeasurement of employees' defined benefit obligations	Total equity
Balance as at 1 January 2024 (Audited)	50,000,000	5,651,367	21,452,376	(2,170,495)	74,933,248
Total comprehensive income for the period	-	-	2,534,236	-	2,534,236
Bonus shares issued - (Note 1)	20,000,000	-	(20,000,000)	-	-
Transfer from statutory reserves - (Note 1)	-	(5,651,367)	5,651,367	-	-
Balance as at 30 June 2024 (Unaudited)	70,000,000	-	9,637,979	(2,170,495)	77,467,484
Balance as at 1 January 2025 (Audited)	70,000,000	-	9,102,409	(1,245,715)	77,856,694
Total comprehensive income for the period	-	-	2,454,112	-	2,454,112
Balance as at 30 June 2025 (Unaudited)	70,000,000	-	11,556,521	(1,245,715)	80,310,806



Tarik Bin Abdul Rehman Alghannam
Chairman of the board



Abdullah Radhwan Abdo Ali
Chief Executive Officer



Mohammad Usman Khan
Chief Financial Officer

The accompanying notes from 1 to 19 form an integral part of these Interim Condensed Consolidated Financial Statements.

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

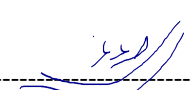
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

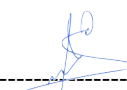
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		3,239,975	3,332,620
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	5	1,317,403	1,414,650
Depreciation of right of use assets	6	639,163	930,578
Amortization of intangible assets		22,500	14,270
Employees' defined benefits obligations		599,908	556,137
Finance costs	6	354,969	954,417
Finance income		(377,930)	(448,213)
		5,795,988	6,754,459
Changes in working capital:			
Inventories		(8,751,118)	(4,998,760)
Trade receivables		4,555,320	(2,033,377)
Prepayments and other current assets		101,284	(2,076,286)
Trade payables		(1,587,565)	3,012,988
Accrued expenses and other liabilities		(849,511)	(339,873)
		(735,602)	319,151
Employees' defined benefits obligation paid		(211,000)	(530,696)
Zakat paid		(1,643,628)	(532,256)
Net cash flows used in operating activities		(2,590,230)	(743,801)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(30,000)	(195,830)
Additions to intangible assets		(225,000)	-
Term deposits		-	6,000,000
Finance income received		377,930	448,213
Additions to capital works in progress		-	(1,269,391)
Net cash flows generated from investing activities		122,930	4,982,992
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of loans and bank facilities		-	(6,250,000)
Payment of lease liabilities	6	(670,963)	(1,035,142)
Finance cost paid		-	(437,500)
Net cash flows used in financing activities		(670,963)	(7,722,642)
Net change in Cash and Cash Equivalents		(3,138,263)	(3,483,451)
Cash and Cash Equivalents at the beginning of the period	9	21,764,176	13,342,116
Cash and Cash Equivalents at the end of the period	9	18,625,913	9,858,665

SIGNIFICANT NON-CASH TRANSACTIONS:

Additions to right of use assets and lease liabilities	-	757,585
Lease modification to right of use assets and lease liabilities	-	(1,932,610)


 Tarik Bin Abdul Rehman Alghannam
 Chairman of the board


 Abdullah Radhwan Abdo Ali
 Chief Executive Officer


 Mohammad Usman Khan
 Chief Financial Officer

The accompanying notes from 1 to 19 form an integral part of these Interim Condensed Consolidated Financial Statements.

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. THE COMPANY, ITS SUBSIDIARY AND ITS BUSINESS DESCRIPTION

Riyadh Steel Company was registered as a closed joint stock company in Riyadh under Commercial Registration No. 1010167449 dated 6 Rabi' Al-Thani 1422H corresponding to 27 June 2001.

Trade Name	Commercial registration date	Commercial registration number	Activity
Maan Bin Hamad Al Jasser and Partners for Melting Steel Co.	23 July 2000	1010160431	Manufacture of primary iron products in the form of blocks of pillars and residues after re-smelting
Riyadh Scrap Metal Co.	9 March 2008	1010245949	Manufacture of primary iron products in form of blocks of pillars and residues after re-smelting. Retail sale of building material scrap (including metal scrap trade)
Temwin Al-Anshaa for Building Materials	20 February 2023	1010863040	Retail sale of building materials cement, bricks, cement tile, etc.

On 30 June 2024, and after obtaining necessary approvals from the competent authorities, the Extraordinary General Assembly of shareholders approved an increase in the Company's share capital by SAR 20,000,000 and the commensurate increase in the number of issued ordinary shares of the company by 2 million. Such an increase was affected through the capitalization of the Company's retained earnings. Each shareholder was granted four bonus shares for every ten shares owned. The Company's share capital after the increase is SAR 70,000,000 divided into 7 million fully paid ordinary shares with equal voting rights and having a par value of Saudi Riyals ten for each share. Accordingly, earnings per share for the six-month period ended 30 June 2025, and 2024 have been calculated retrospectively by adjusting the weighted average number of outstanding shares to reflect the effect of the issuance of the above bonus shares. The Extraordinary General Assembly also approved, transfer of balance of statutory reserve of Saudi Riyals 5,651,367 to the retained earnings balance.

On 24 September 2024, the Extraordinary General Assembly of shareholders approved a resolution to split the nominal value of the Company's shares from SAR 10 per share to SAR 1 per share. As a result, the number of shares increased from 7 million shares to 70 million shares. The necessary regulatory procedures to reflect this resolution were completed during the year ended 31 December 2024. Accordingly, the Company's share capital amounted to SAR 70 million, divided into 70 million shares with a nominal value of SAR 1 each. The legal formalities for the above changes have been completed.

The parent company is engaged in the manufacture of sheets, plates, strip coils, rods, skewers, corners, wires and sections of all forms under the industrial license No. 4411101252212 dated 19 Dhul Hijjah 1413H corresponding to 10 June 1993.

The company's head office is located at the following address:

Unit 35, 4578 Al Imam Abdullah Bin Saud Bin

Abdul-Aziz Road- Al Shohda District

Riyadh 13241, Kingdom of Saudi Arabia

The interim condensed consolidated financial statements include the financial statements of the parent company, and its subsidiary set out below:

Subsidiary Name	The main activity of the subsidiary	Direct and Indirect %	
		30 June 2025	31 December 2024
Baydaa Alyamama Industrial Company	Manufacture of metal vessels used in the transport and packaging of goods, including (barrels, waste containers, waste, buckets, boxes, cans etc.)	100	100

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION**Statement of compliance**

These Interim Condensed Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Groups' last consolidated financial statements for the year ended 31 December 2024 ("the financial statements of the previous year"). These do not include all of the required information normally required for a complete set of Consolidated Financial Statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2024.

Further, the results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ended 31 December 2025.

Preparation of the Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis and according to historical cost principal except for the employees defined benefit obligations, which is measured at the present value of future obligations using the Projected Unit Credit Method.

Use of Judgements and Estimates

In preparing these Interim Condensed Consolidated Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Consolidated Financial Statement.

3. Functional and presentation currency

These Interim Condensed Consolidated Financial Statements are prepared in Saudi Riyals ("SAR"), which is Company's functional and Group's presentation currency.

4. MATERIAL ACCOUNTING POLICIES**New Standards, Amendment to Standards and Interpretations**

There are new standards and number of amendments to standards which are effective from 1 January 2025 and have been explained in Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

The Group has not early adopted any new standards, interpretation or amendment that have been issued but which are not effective yet.

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cost		
Balance at beginning of the period / year	119,392,155	117,176,504
Additions during the period / year	30,000	739,987
Transfers during the period / year	-	1,475,664
Balance at end of the period / year	119,422,155	119,392,155
Accumulated depreciation		
Balance at beginning of the period / year	107,434,550	104,624,874
Charged during the period / year	1,317,403	2,809,676
Balance at end of the period / year	108,751,953	107,434,550
Net book value	10,670,202	11,957,605

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES**a) Right of use assets**

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cost		
Balance at beginning of the period / year	17,180,167	23,797,128
Additions during the period / year	-	757,585
Disposals during the period / year	-	(5,441,936)
Lease modifications during the period / year	-	(1,932,610)
Balance at end of period / year	17,180,167	17,180,167
Accumulated depreciation		
Balance at beginning of the period / year	4,703,571	4,112,955
Charged for the period / year	639,163	1,737,131
Disposals during the period / year	-	(1,146,515)
Balance at end of period / year	5,342,734	4,703,571
Net book value	11,837,433	12,476,596

b) Lease liabilities

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	12,549,711	19,433,613
Additions during the period / year	-	757,585
Interest expense for the period / year	354,969	964,441
Paid during the period / year	(670,963)	(2,303,472)
Disposals during the period / year	-	(4,369,846)
Lease modifications during the period / year	-	(1,932,610)
Balance at end of period / year	12,233,717	12,549,711

Lease liabilities are classified in statement of financial position as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Lease liabilities - non-current portion	10,856,034	11,317,591
Lease liabilities - current portion	1,377,683	1,232,120
	12,233,717	12,549,711

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. INVENTORIES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Finished goods	21,442,552	16,836,763
Raw materials	13,451,108	8,909,012
Spare parts and supplies	8,061,795	8,491,433
Goods in transit	32,871	-
Slow moving and obsolete inventory allowance	(395,319)	(395,319)
	42,593,007	33,841,889

8. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables	18,049,911	22,605,231
Expected credit loss of trade receivables	(1,121,838)	(1,121,838)
Total	16,928,073	21,483,393

9. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash on hand	166,488	110,025
Cash at banks	3,959,425	8,154,151
Short term deposits	14,500,000	13,500,000
	18,625,913	21,764,176

Short term deposits classified in cash and cash equivalents amounting to Saudi Riyals 14,500,000 (31 December 2024: Saudi Riyals 13,500,000) have original maturity of less than 90 days and bearing profit rates ranging from 6.05% to 6.40%.

10. ZAKAT PROVISION**10-1 Zakat provision movement:**

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	1,637,765	1,596,770
Charge during the period/year	785,863	1,637,765
Paid during the period/year	(1,643,628)	(1,596,770)
Balance at the ending of the period/year	780,000	1,637,765

10-2 Zakat assessments status:Riyadh steel company

The Company completed its Zakat status till 2015. The Company submitted Zakat declarations and financial statements to the Zakat, Tax and Customs Authority for the years from 2016 to 2024, and paid what was due, according to those declarations and obtained the required certificates.

Baida Al Yamamah Industrial Company

The Company submitted Zakat declarations and financial statements to the Zakat, Tax and Customs Authority for all previous years from its founding until 2024 and paid what was due, according to those declarations and obtained the required certificates. No zakat assessments have been received for the years from inception till date.

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11. RELATED PARTIES

The following are the transactions that have taken place with the related parties during the period.

11-1 Compensation of key management personnel of the Group:

	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Short term employee benefits	520,000	520,000
Post employment benefits	20,000	40,000
	540,000	560,000

12. SALES

	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Angled and flat bars	58,015,090	70,622,809
Billet sales	8,132,805	-
Scrap iron and raw materials	16,273,000	44,142
Returns and discount allowed	-	(13,389)
	82,420,895	70,653,562

a) Timing of revenue recognition:

Performance obligations are fulfilled at a point in time upon the delivery of goods, along with the transfer of significant benefits and risks associated with the ownership of the goods to the buyer. This usually occurs upon the delivery of the goods to the customers. There is no consideration to be allocated to performance obligations that have not been fulfilled or are outstanding.

	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
At a point in time	82,420,895	70,653,562

b) Customer type:

	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Business to business	79,062,058	69,810,013
Trading	3,358,837	843,549
	82,420,895	70,653,562

c) Geographic region:

Group's sales in the local market and export sales are allocated as follows:

Sales for the period ended	Local sales	Export sales	Total sales
30 June 2025 (Unaudited)	79,805,112	2,615,783	82,420,895
30 June 2024 (Unaudited)	68,036,663	2,616,899	70,653,562

Seasonal changes

The revenues of the Group are affected by seasonal factors based on the variation of consumption and demand between the seasons. The Company's management seeks to reduce the seasonal impact on the Group's revenues.

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

13. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Net profit for the period	2,454,112	2,534,236
Weighted average number of shares	70,000,000	70,000,000
Basic and diluted earnings per share	0.04	0.04

Earnings per share for the period ended 30 June 2024 have been calculated retrospectively by adjusting the weighted average number of outstanding shares to reflect the effect of the issuance of the bonus shares and the division of shares.

14. Operating Segments

Management has assessed the Group's operating activities in accordance with International Financial Reporting Standard (IFRS 8) "Operating Segments" and concluded that there is no requirement to present separate activities as distinct operating segments. This conclusion is based on the similarity of economic characteristics across all operations, as the Group's revenues are derived from a single source - the manufacture and sale of steel products.

For further qualitative and quantitative details regarding the Group's revenue streams and products, please refer to Note 12 of these interim condensed consolidated financial statements.

15. CONTINGENT LIABILITIES AND COMMITMENTS

The Group has obligations represented in a letter of guarantee amounting to SAR 575,000 as at 30 June 2025 (31 December 2024: SAR 575,000).

16. FINANCIAL INSTRUMENTS, RISK MANAGEMENT, AND FAIR VALUE

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2024. No material changes have occurred on the classification, measurement, or fair value of financial instruments during the financial period ended 30 June 2025. There were no significant changes in the Group's exposure to credit, liquidity, or market risks, or in the methods used to manage those risks, compared to what was disclosed in the last annual consolidated financial statements.

Fair value

Represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The Group's management believes that the fair values of financial assets and financial liabilities are not materially different from their carrying values.

17. SUBSEQUENT EVENTS

In the opinion of management, there have been no significant subsequent events since the period-end that require adjustment of or disclosure in these Interim Condensed Consolidated Financial Statements.

RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

18. COMPARATIVE FIGURES

Certain comparative figures for the previous period/year have been reclassified in line with the classification for the current period.

Description	31 December 2024 (as previously reported)	Reclassification	31 December 2024 (reclassified)
Prepayments and other current assets	3,093,795	(1,002,488)	2,091,307
Lease liabilities - current portion	2,234,608	(1,002,488)	1,232,120

19. BOARD OF DIRECTORS APPROVAL

These Interim Condensed Consolidated Financial Statements were approved by the Group's Board of Directors on 27 Safar 1447H (21 August 2025).