ARABIAN PIPES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2026

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

Introduction
We have reviewed the accompanying interim condensed statement of financial position of Arabian Pipes Company (A Saudi Joint Stock Company) ("the Company") as at 30 September 2026, and the interim condensed statement of profit or loss and the other comprehensive income for the three-month and nine month periods ended 30 September 2026, and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review
We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

For Maham Company for Professional Services

شركة مهام للاستشارات المهنية
CR 2050240744
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MAHAM Co. FOR PROFESSIONAL SERVICES

Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)
Date: 18 Jumad I 1448 H
Corresponding to: 29 October 2026

Interim condensed statement of financial position
As at 30 September 2026

	Note	30 September 2026 (Unaudited) ﷼ "000"	31 December 2025 (Audited) ﷼ "000"
Assets			
Non-current assets			
Property, plant and equipment	4	**248,090**	258,059
Intangible assets		**766**	1,769
Right-of-use assets		**21,133**	22,375
Total non-current assets		**269,989**	282,203
Current assets			
Inventory	5	**217,974**	201,753
Trade receivables	6	**45,707**	39,482
Contract assets	7	**26,243**	155,924
Prepayments and other current assets		**49,985**	31,264
Cash and cash equivalents		**146,780**	15,417
Total current assets		**486,689**	443,840
Total assets		**756,678**	726,043
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	9	**252,000**	200,000
Reserve	9	**15,430**	15,430
Reserve for remeasurement of employees' end of service benefits		**(4,159)**	(4,159)
Retained earnings		**226,122**	276,850
Total shareholder's equity		**489,393**	488,121
Liabilities			
Non-current liabilities			
Lease liabilities-non-current portion		**20,956**	22,527
Provision for decommissioning cost		**2,209**	2,129
Employees end of service benefit		**30,215**	28,267
Total non-current liabilities		**53,380**	52,923
Current liabilities			
Leases liabilities- current portion		**1,467**	1,348
Bank facilities	10	**131,492**	106,639
Trade payables		**45,457**	37,927
Accrued expenses and other current liabilities	11	**30,238**	28,196
Zakat provision	12	**5,251**	10,889
Total current liabilities		**213,905**	184,999
Total liabilities		**267,285**	237,922
Total shareholder's equity and liabilities		**756,678**	726,043

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

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

Interim condensed statement of profit or loss and other comprehensive income
For the three-month and nine-month periods ended 30 September 2026

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"	**2026 (Unaudited) ﷼ "000"**	2025 (Unaudited) ﷼ "000"
Revenue	14	**142,027**	233,285	**496,433**	736,632
Cost of revenue	15	**(121,145)**	(193,851)	**(413,954)**	(571,235)
Gross profit		**20,882**	39,434	**82,479**	165,397
Expenses					
Selling and marketing		**(3,335)**	(3,972)	**(9,867)**	(12,166)
General and administrative		**(9,239)**	(9,983)	**(29,324)**	(30,337)
Reversal of (provided for) provision for inventory impairment	5	**1,600**	-	**4,405**	(671)
Total expenses		**(10,974)**	(13,955)	**(34,786)**	(43,174)
Profit from operations		**9,908**	25,479	**47,693**	122,223
Finance charges		**(2,912)**	(5,157)	**(8,539)**	(25,652)
Other income, net	16	**1,094**	9,588	**1,403**	10,646
Profit before zakat		**8,090**	29,910	**40,557**	107,217
Zakat	12	**(1,925)**	(2,141)	**(5,285)**	(4,844)
Net profit for the period		**6,165**	27,769	**35,272**	102,373
Total comprehensive income for the period		**6,165**	27,769	**35,272**	102,373
Earnings per share					
Basic and diluted earnings per share from net profit for the period (﷼)	17	**0.02**	0.11	**0.14**	0.41

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

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

Arabian Pipes Company
(A Saudi Joint Stock Company)

Interim condensed statement of changes in shareholders' equity
For the nine-month period ended 30 September 2026

	Share capital ﷼ "000"	Reserve ﷼ "000"	Reserve for remeasurement of employees' end of service benefit ﷼ "000"	Retained earnings ﷼ "000"	Total ﷼ "000"
As at 31 December 2025 (Audited)	200,000	15,430	(4,159)	276,850	488,121
Net profit for the period	-	-		35,272	35,272
Total comprehensive income for the period	-	-	-	35,272	35,272
Transferred from retained earnings to increase in share capital	52,000	-	-	(52,000)	-
Dividends distribution (note 9)	-	-	-	(34,000)	(34,000)
As at 30 September 2026 (Unaudited)	**252,000**	**15,430**	**(4,159)**	**226,122**	**489,393**
As at 31 December 2024 (Audited)	150,000	15,430	(2,991)	238,876	401,315
Net profit for the period	-	-	-	102,373	102,373
Total comprehensive income for the period	-	-	-	102,373	102,373
Transferred from retained earnings to increase in share capital	50,000	-	-	(50,000)	-
Dividends distribution (note 9)	-	-	-	(22,500)	(22,500)
As at 30 September 2025 (Unaudited)	200,000	15,430	(2,991)	268,749	481,188

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

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

Interim condensed statement of cash flows
For the nine-month period ended 30 September 2026

	Note	For the nine-month period ended 30 September 2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
OPERATING ACTIVITIES			
Profit before zakat		**40,557**	107,217
Adjustments for:			
Depreciation of property, plant, and equipment	4	**22,710**	26,765
Amortization of intangible assets		**1,230**	1,076
Depreciation of a right-of-use asset		**1,379**	1,335
Finance charges		**8,539**	25,652
Gains from the derecognition of financial liabilities related to the Saudi National Development Fund		**-**	(197)
Gain on disposal of property, plant and equipment	16	**(71)**	-
(Reversal of) provided for provision for inventory impairment	5	**(4,405)**	671
Impairment of property, plant and equipment	4	**253**	184
Governmental grant		**-**	(303)
Reversal of allowance for expected credit losses	6	**(400)**	(146)
Employee end of service benefit		**3,436**	3,927
		73,228	166,181
Change in operating assets and liabilities			
Inventory		**(11,816)**	176,836
Trade receivables		**(5,824)**	(8,501)
Prepayments and other current assets		**(18,721)**	(21,365)
Contract assets		**129,681**	1,116
Trade payables		**7,530**	(16,004)
Accrued expenses and other current liabilities		**475**	16,469
Cash from operations		**174,553**	314,732
Finance charges paid		**(6,898)**	(28,829)
Employee end of service benefit paid		**(1,487)**	(970)
Zakat paid	12	**(10,923)**	(5,058)
Net cash from operating activities		**155,245**	279,875
INVESTING ACTIVITIES			
Additions to property, plant, equipment	4	**(12,994)**	(9,272)
Additions to intangible assets		**(227)**	(166)
Proceeds from disposal of property, plant, equipment		**71**	-
Addition to short-term Islamic Murabaha	8	**(53,626)**	-
Proceed from Short-term Islamic Murabaha	8	**53,626**	20,000
Net cash (used in) from investing activities		**(13,150)**	10,562
FINANCING ACTIVITIES			
Bank facilities paid	10	**(359,008)**	(793,015)
Bank facilities proceed	10	**383,861**	513,435
Payment of lease liability		**(1,585)**	(2,578)
Dividends paid	9	**(34,000)**	(22,500)
Net cash used in financing activities		**(10,732)**	(304,658)
Net change in cash and cash equivalents		**131,363**	(14,221)
Cash and cash equivalent at the beginning of the period		**15,417**	99,403
Cash and cash equivalents at end of the period		**146,780**	85,182
Significant non-cash transactions			
Transferred from retained earnings to increase in share capital	9	**52,000**	50,000

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

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

1 - GENERAL INFORMATION

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

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

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

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

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

Geopolitical developments

The Company continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Company's operations are conducted within GCC region. While the situation remains evolving, the Company maintains a robust operational framework to manage associated risks.

As at and for the period ended 30 September 2026, these geopolitical developments have not had material impact on the Company's financial statements. However, given the evolving nature of the conflict, the Company will continue to assess any potential long-term effects on its operations and financial results in future reporting periods.

2 - BASIS OF PREPARATION

2-1 Statement of compliance

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2025.

2-2 Basis of measurement

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

2-3 Functional and presentation currency

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

2 BASIS OF PREPARATION (continued)

2-3 Functional and presentation currency (continued)

2-3-1 Transactions and balances

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

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

2-4 Material accounting policies

The accounting policies applied in these interim condensed financial statements are the same policies applied to the Company's annual financial statements as at and for the year ended 31 December 2025.

2-5 New and amended standard and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2026 reporting period and have not been early adopted by the Company. Management is currently assessing the impact of these new standards and interpretations on future reporting periods.

IFRS 18, 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18, 'Presentation and Disclosure in Financial Statements', which will replace IAS 1, 'Presentation of Financial Statements'. IFRS 18 introduces new requirements that will change the structure of the statement of income by including specific and mandatory totals and subtotals, while carrying forward many of the IAS 1 requirements. In addition, the standard includes new requirements for aggregation and disaggregation of financial information and requires disclosure of management-defined performance measures. Further, the IASB amended IAS 7, 'Statement of Cash Flows' to require entities to use the operating profit or loss subtotal as the starting point for the indirect method of reporting cash flows from operating activities.

The Company is currently performing a comprehensive review of income statement line-items to assess reclassifications required to conform to IFRS 18 defined categories, as well as aggregation and disaggregation of income and expenses.

The Company doesn't expect the adoption of this standard to result in material reclassifications to its operating income.

Changes to the statement of cash flows include a change in the starting point, which will be 'Income or loss from operations'. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The Company is currently identifying and reviewing its public communications, including Board of Directors' reports, announcements published on the stock exchange, investor presentations, and any other public communications, to determine whether they contain subtotals of income and expenses that meet the definition of management-defined performance measures.

The Company expects to complete all the changes required for the implementation of IFRS 18 by its effective date.

There are no other standards, amendments and interpretations that are not yet effective that are expected to have a material impact in the current or future reporting periods or on foreseeable future transactions.

3 - SIGNIFICANT ASSUMPTIONS AND ESTIMATES

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

The significant judgments made by management in applying the Company's accounting policies, as well as the key sources of estimation uncertainty, are consistent with those disclosed in the annual financial statements for the year ended 31 December 2025.

4 - PROPERTY, PLANT AND EQUIPMENT

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

Buildings	40 years or lease term, whichever is less	Furniture and fixtures	3.33-5 years
Machinery and equipment	10-36 years	Computers	3.33-5 years
Vehicles	5 years		

	Land ﷼ "000"	Buildings ﷼ "000"	Machinery and equipment ﷼ "000"	Vehicles ﷼ "000"	Furniture and fixtures ﷼ "000"	Computers ﷼ "000"	Capital works in progress ﷼ "000"	Total ﷼ "000"
Cost:								
At 31 December 2025 (audited)	5,676	91,580	761,074	2,969	2,449	2,513	7,567	873,828
Additions	-	709	7,306	-	99	177	4,703	12,994
Transferred from capital work in progress	-	-	3,155	-	877	-	(4,032)	-
Disposal	-	-	-	(1,286)	-	-	-	(1,286)
At 30 September 2026 (unaudited)	5,676	92,289	771,535	1,683	3,425	2,690	8,238	885,536
Accumulated depreciation								
At 31 December 2025 (audited)	-	57,240	553,214	2,090	1,411	1,814	-	615,769
Charged for the period	-	2,411	19,727	173	236	163	-	22,710
Impairment	-	-	253	-	-	-	-	253
Disposal	-	-	-	(1,286)	-	-	-	(1,286)
At 30 September 2026 (unaudited)	-	59,651	573,194	977	1,647	1,977	-	637,446
Net book value								
At 30 September 2026 (unaudited)	**5,676**	**32,638**	**198,341**	**706**	**1,778**	**713**	**8,238**	**248,090**

- The Company's buildings in Riyadh and Jubail include buildings constructed on land leased from government authorities.
- The impairment mentioned above relates to spare parts that are being replaced and those used for repairing machinery and equipment.
- Capital work in progress includes the cost of constructing a new building amounting to ﷼ 558 thousand and machinery and equipment with a carrying value of ﷼ 7.67 million. Capital work in progress will be transferred to property, plant and equipment once it is ready for its intended use.
- During the period, management reassessed the useful lives of certain items of property, plant and equipment based on an external technical assessment. This reassessment was necessitated due to significant upgrades made as part of company's modernization initiatives. Effective from 1 August 2026, the change was applied prospectively in accordance with IAS 8 as endorsed in the Kingdom of Saudi Arabia. This resulted in a decrease in depreciation by ﷼ 1.24 million for nine-month periods ended 30 September 2026.

4- PROPERTY, PLANT AND EQUIPMENT (continued)

	Land ﷼ "000"	Buildings ﷼ "000"	Machinery and equipment ﷼ "000"	Vehicles ﷼ "000"	Furniture and Fixtures ﷼ "000"	Computer ﷼ "000"	Capital works in progress ﷼ "000"	Total ﷼ "000"
Cost:								
At 31 December 2024	5,676	91,391	762,483	2,484	3,896	3,647	71	869,648
Additions	-	189	13,218	543	382	175	7,496	22,003
Disposal	-	-	(14,627)	(58)	(1,829)	(1,309)	-	(17,823)
At 31 December 2025	5,676	91,580	761,074	2,969	2,449	2,513	7,567	873,828
Accumulated Depreciation:								
At 31 December 2024	-	53,629	535,519	1,937	2,896	2,869	-	596,850
Charged for the year	-	3,611	31,154	211	309	233	-	35,518
Impairment	-	-	184	-	-	-	-	184
Disposal	-	-	(13,643)	(58)	(1,794)	(1,288)	-	(16,783)
At 31 December 2025	-	57,240	553,214	2,090	1,411	1,814	-	615,769
Net book value:								
At 31 December 2025	5,676	34,340	207,860	879	1,038	699	7,567	258,059

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

	For the nine-month period ended 30 September	
	2026 (unaudited) ﷼ "000"	2025 (unaudited) ﷼ "000"
Cost of revenue	**18,674**	23,673
Idel production - cost of revenue	**2,851**	1,842
General and administrative expenses	**1,159**	1,230
Selling and marketing expenses	**26**	20
	22,710	26,765

5- INVENTORY

	30 September 2026 (Unaudited) ﷼ "000"	31 December 2025 (Audited) ﷼ "000"
Goods in transit	**111,575**	83,931
Raw materials	**48,008**	58,112
Consumable materials	**42,488**	41,993
Finished goods	**31,218**	43,304
Work in progress	**15,318**	8,570
Scrap inventory	**843**	1,724
	249,450	237,634
Less: provision for inventory impairment (note 5.1)	**(31,476)**	(35,881)
	217,974	201,753

5.1 The movement of provision for inventory impairment is as follows:

	For the nine-month period ended 30 September 2026 (Unaudited) ﷼ "000"	For the year ended 31 December 2025 (Audited) ﷼ "000"
At the beginning of the period / year	**35,881**	35,249
(Reversed) charged during the period / year	**(4,405)**	632
At the end of the period / year	**31,476**	35,881

6 -TRADE RECEIVABLES

	30 September 2026 (Unaudited) ﷼ "000"	31 December 2025 (Audited) ﷼ "000"
Trade receivables	**47,368**	41,543
Provision for expected credit losses (note 6.1)	**(1,661)**	(2,061)
	45,707	39,482

6.1 Movement of provision for expected credit losses

	For the nine-month period ended 30 September 2026 (Unaudited) ﷼ "000"	For the year ended 31 December 2025 (Audited) ﷼ "000"
At the beginning of the period / year	**2,061**	2,163
Reversal during the period / year	**(400)**	(102)
	1,661	2,061

(a) The Company applies the simplified approach of International Financial Reporting Standard 9 for measuring expected credit losses.
(b) Trade receivables do not bear interest and are varying maturity periods ranging from 30 to 60 days.
(c) The maximum exposure to credit risk as of the reporting date is the carrying value of each category of the mentioned trade receivables.
(d) The Company does not hold any collateral against the trade receivables and, therefore, they are unsecured.
(e) As of the date of approval of the interim condensed financial statements, an amount of ﷼ 10.20 million has been collected from trade receivables outstanding as at 30 September 2026.

6 - TRADE RECEIVABLES (continued)

The analysis of aging for trade receivables was as follows:

	Total	Less than 90 days	From 91 to 180	From 181 to 360	More than 360
	﷼ "000"	﷼ "000"	﷼ "000"	﷼ "000"	﷼ "000"
30 September 2026 (Unaudited)	**47,368**	**46,008**	**-**	**-**	**1,360**
31 December 2025 (Audited)	41,543	40,183	-	-	1,360

7 -CONTRACT ASSETS

Contract assets primarily relate to the Company's right to receive payment for performance completed to date in relation to completed steel pipe manufacturing contracts (for which revenue is recognized over time), but which have not been invoiced as of the statement of financial position date. These amounts will be transferred to trade receivables when invoiced to customers, ﷼ 17.11 million of contract assets were billed subsequent to the interim condensed statement of financial position date. All contract asset balances as at 30 September 2026 and 31 December 2025 were outstanding within less than 90 days and, therefore, were not subject to a significant risk of impairment.

The movement in the contract assets account was as follows:

	For the nine-month period ended 30 September 2026 (Unaudited) ﷼ "000"	For the year ended 31 December 2025 (Audited) ﷼ "000"
At the beginning of the period / year	**155,924**	128,500
Revenues recognized during the period / year	**314,472**	443,882
Invoices issued during the period / year	**(444,153)**	(416,458)
At the end of the period / year	**26,243**	155,924

8 -SHORT TERM ISLAMIC MURABAHA

Short-term Islamic Murabaha represents deposits with local banks with an original maturity period of more than three months but not exceeding twelve months from the acquisition date, and it generates Murabaha income at an average rate of 4.07% per annum (31 December 2025: 5.38%).

	For the nine-month period ended 30 September 2026 (Unaudited) ﷼ "000"	For the year ended 31 December 2025 (Audited) ﷼ "000"
At the beginning of the period/ year	-	20,000
Addition during the period / year	**53,626**	70,000
Refund during the period/ year	**(53,626)**	(90,000)
At the end of the period/ year	-	-

9 -SHARE CAPITAL, DIVIDENDS AND RESERVE

SHARE CAPITAL

The authorized, issued and paid capital of the Company consists of 252 million shares, the value of each share is 1 Saudi Riyals (31 December 2025: 200 million shares, the value of each share is 1 Saudi Riyals).

9 -SHARE CAPITAL, DIVIDENDS AND RESERVE (continued)

Increasing the capital from ﷼ 150 million to ﷼ 200 million

The Board of Directors recommended on 27 of Sha'ban 1446H (corresponding to 26 February 2025) to increase the Company's capital from ﷼ 150 million to ﷼ 200 million by capitalizing a portion of retained earnings.

On 30 Shawwal 1446 H (corresponding to 28 April 2025), the Capital Market Authority approved the request of the Company to increase its capital from ﷼ 150 million to ﷼ 200 million by granting one bonus share for every three existing shares held by shareholders registered in the issuer's shareholder register at the Securities Depository Center at the close of trading on the second trading day following the entitlement date.

The Extraordinary General Assembly, held on 7 Dhu al-Hijjah 1446 AH (corresponding to 3 June 2025), approved the Board of Directors' recommendation to increase the Company's capital. The Company completed the legal formalities relating to the capital increase during 2025.

Increasing the capital from ﷼ 200 million to ﷼ 252 million

On 2 Ramadan 1447 H (corresponding to 19 February 2026), the Board of Directors recommended to increase the Company's share capital from ﷼ 200 million to ﷼ 252 million through the issuance of 52 million new ordinary shares by capitalizing a portion of retained earnings. Under the recommendation, 50,000,000 bonus shares will be distributed to the Company's shareholders of record (representing 25% of the Company's share capital prior to the increase, on the basis of one bonus share for every four existing shares held). The remaining 2,000,000 newly issued shares will be allocated as treasury shares under the Company's Employee Share Incentive Plan in accordance with the Long-Term Incentive Plan, representing 1% of the Company's share capital prior to the increase.

On 25 Dhu Al-Hijjah 1447H (corresponding to 11 June 2026), the Capital Market Authority approved the request of the Company to increase its capital from ﷼ 200 million to ﷼ 252 million.

The Extraordinary General Assembly, held on 11 Rabi Awal 1448H (corresponding to 24 August 2026), approved the Board of Directors' recommendation to increase the Company's capital. The Company completed the legal formalities relating to the capital increase during the period ended 30 September 2026.

Reserve

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

Dividends

1- On 2 of Ramadan 1447H (corresponding to 19 February 2026), the Board of Directors recommended cash dividend of ﷼ 34 million, equivalent to ﷼ 0.17 per share, for the year ended 31 December 2025. The shareholders approved the recommendation at the Ordinary General Assembly meeting held on 7 Muharram 1448H (22 June 2026). The dividends were deposited into shareholders' bank accounts on 27 Muharram 1448H (12 July 2026).

2- On 28 Sha'ban 1446H (corresponding to 27 February 2025) the Board of Directors recommended a cash dividend of ﷼ 22.5 million, equivalent to ﷼ 0.15 per share, for the year ended 31 December 2024. The shareholders approved the recommendation at the Ordinary General Assembly meeting held on 7 Dhu Al-Hijjah 1446H (3 June 2025). The dividends were deposited into shareholders' bank accounts on 1 Muharram 1447H (26 June 2025).

10 - BANK FACILITIES

The Company obtained bank facilities and short-term financing from several local banks, with the balance of bank facilities as at 30 September 2026, amounting to ﷼ 131 million (31 December 2025: ﷼ 107 million). These consist of letter of credit financing and short-term financing to cover the Company's working capital requirements, with facilities bearing a commission according to prevailing market rates, these facilities are secured by promissory notes, the facilities are compliant with Islamic Sharia principles. The facility agreements include covenants to maintain certain financial ratios, such as the leverage ratio, among others. According to these financial agreements, the bank has the right to demand immediate repayment of the facilities if these conditions are not met. The Company was unable to meet some of these commitments. The Company obtained an official waiver letter as of 30 September 2026.

The movement in bank facilities and term financing was as follows:

	30 September 2026 (Unaudited) ﷼ "000"	31 December 2025 (Audited) ﷼ "000"
At the beginning of the period/ year	**106,639**	335,932
Bank facilities proceed	**383,861**	616,634
Bank facilities settled	**(359,008)**	(845,927)
At the end of the period/ year	**131,492**	106,639

11 -ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 September 2026 (Unaudited) ﷼ "000"	31 December 2025 (Audited) ﷼ "000"
Accrued expenses	**12,076**	13,984
VAT payable	**8,979**	-
Contract liabilities	**3,706**	10,415
Other liabilities	**5,477**	3,797
	30,238	28,196

12 – ZAKAT

The zakat charge for the period ended 30 September 2026 amounted to ﷼ 5.28 million (period ended 30 September 2025: ﷼ 4.84 million, for the year ended 31 December 2025: ﷼ 6.95 million).

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

12-1 Zakat provision movement

	For the nine-month period ended 30 September 2026 (Unaudited) ﷼ "000"	For the year ended 31 December 2025 (Audited) ﷼ "000"
At the beginning of the period/ year	**10,889**	8,994
Charged during the period/ year	**5,285**	6,953
Payments during the period/ year	**(10,923)**	(5,058)
At the end of the period/ year	**5,251**	10,889

12 – ZAKAT (continued)

12-2 Zakat assessments

The Company has submitted its zakat returns to the Zakat, Tax and Customs Authority ("the ZATCA") for all years up to 2025 and has paid the zakat due accordingly and obtained the zakat certificates. The Company has finalized the Zakat assessments with ZATCA for all years up to 2024.

During March 2024, the Company received Zakat assessments from the Zakat, Tax and Customs Authority (ZATCA) for the fiscal years 2019 and 2020, requiring the Company to pay additional Zakat amounting to ﷼ 5.63 million. During 2024, the Company paid ﷼ 1.67 million, representing the non-disputable portion of the additional assessment. The Company filed an objection with ZATCA against the remaining balance of ﷼ 3.96 million and recognized a provision for the full amount. In August 2024, ZATCA issued its decision and rejected the objection in full. Accordingly, the Company filed an appeal with the General Secretariat of the Tax, Zakat and Customs Committees (the "GSTC")

During 2026, the General Secretariat of Zakat, Tax and Customs Committees (the "GSTC") issued its decision fully rejecting the Company's appeal. As a result, the Zakat liabilities for the relevant period became final, and the Company settled the outstanding balance of ﷼ 3.96 million accordingly. Subsequently, the Company submitted a request for reconsideration of the GSTC's decision. As of the date of issuance of these preliminary condensed financial statements, no decision has been issued by the GSTC regarding this request related to re-consideration.

The Company is not aware of any other disputes with ZATCA and has not received any Zakat assessments for 2025.

13- RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

		For the nine-month period ended 30 September	
		2026 (Unaudited)	2025 (Unaudited)
Related parties	Nature of the transaction	**﷼ "000"**	﷼ "000"
Senior executives	Short-term salaries and bonuses	**7,207**	7,435
	Employees defined benefit liabilities	**581**	962
Members of the Board of Directors and other committees	Bonuses and allowances	**2,951**	1,335
		10,739	9,732

14- REVENUE

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

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Revenues from steel pipes manufacturing and packaging activities	**487,896**	725,137
Other operating revenues	**8,537**	11,495
	496,433	736,632

14.2 Timing of revenue recognition:

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Revenue recognized over a period of time	**314,472**	351,537
Revenue recognized at a point in time	**181,961**	385,095
	496,433	736,632

14.3 Geographic markets:

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Inside the Kingdom of Saudi Arabia	**495,040**	727,975
Outside the Kingdom of Saudi Arabia	**1,393**	8,657
	496,433	736,632

14.4 Revenue by customer type:

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Semi-governmental customers	**314,472**	351,537
Private sector customers	**181,961**	385,095
	496,433	736,632

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

14- REVENUE (continued)

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Revenues from steel pipes manufacturing and packaging activities (ongoing projects)	**1,073,043**	749,216
	1,073,043	749,216

Management anticipates that all performance obligations related to unsatisfied contracts for steel pipe manufacturing and packaging activities as of 30 September 2026 to be completed by end of the financial period 30 September 2027 (30 September 2025: was expected within the year 2026).

15 -COSTS OF REVENUE

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Raw materials	**340,041**	485,985
Salaries, wages and related benefits	**40,274**	46,701
Depreciation of property, plant and equipment	**18,674**	23,673
Idle production costs	**5,456**	4,736
Utilities	**3,813**	3,964
Maintenance expenses	**3,028**	3,561
Depreciation of right to use assets	**1,175**	1,109
Impairment of property, plant and equipment	**253**	184
Others	**1,240**	1,322
	413,954	571,235

16 – OTHER INCOME, NET

	For the nine-month period ended 30 September	
	2026 (Unaudited) ﷼ "000"	2025 (Unaudited) ﷼ "000"
Financing income from short-term Islamic Murabaha	**2,353**	2,394
Gain on disposal of property, plant and equipment	**71**	-
Reversal of provision no longer needed (*)	-	9,458
Financing revenues from governmental grants	-	303
Gains from the derecognition of financial liabilities related to the Saudi National Development Fund financing	-	197
Currency exchange losses	**(1,036)**	(1,762)
Other	**15**	56
	1,403	10,646

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

17 -BASIC AND DILUTED EARNINGS PER SHARE

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

	For the nine-month period ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
Profit for the period attributable to shareholders (﷼ "000")	**35,272**	102,373
Weighted average number of share ("000")	**250,000**	250,000
Basic and diluted earnings per share (﷼)	**0.14**	0.41

1- In accordance with the requirements of IAS 33 'Earnings per Share', the weighted average number of outstanding shares has been retrospectively adjusted for the comparative period ended 30 September 2025, as if the capital increase had occurred on 1 January 2025. Accordingly, earnings per share for the comparative period has been restated to reflect this adjustment in line with the requirements of IAS 33 'Earnings per Share'.

2- The weighted average number of ordinary shares outstanding used in calculating basic earnings per share was determined after excluding 2,000,000 shares classified as treasury shares and allocated to the employee incentive program, as treasury shares are not considered outstanding ordinary shares while held by the Company.

18 -SEGMENT REPORTING

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

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

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

19 -COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

As at 30 September 2026, the Company has outstanding letters of credit amounting to ﷼ 300.30 million (31 December 2025: ﷼ 102.30 million).

Bank Guarantees

The Company's banks have issued bank guarantees with a maximum limit of ﷼ 50.10 million (31 December 2025: ﷼ 73.17 million).

Capital commitments

As at 30 September 2026, the Company had capital commitment of ﷼ 12.14 million (31 December 2025: ﷼ 958 thousand).

20- FAIR VALUE MEASUREMENT

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

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

During the period ended 30 September 2026 and 31 December 2025, there were no transfers between Level 1 and Level 2 of fair value measurement hierarchy, and there were no transfers to or from Level 3 of fair value measurement hierarchy.

21- INTERIM RESULTS

The results of operations for the nine-month period ended 30 September 2026 are not necessarily indicative of the annual results of the Company's operations.

22- RECLASSIFICATION OF COMPARATIVE FIGURES

During the period, the management of the Company reclassified the idle production cost from general and administrative to cost of revenue. As a result of the reclassification, cost of revenue increased by ﷼ 4.73 million for the period ended 30 September 2025, with a corresponding decrease in general and administrative expenses.

A) The following table shows the impact on the statement of profit or loss and other comprehensive income for the nine-month periods ended 30 September 2025.

	Note	Previously reported ﷼ "000"	Reclassification ﷼ "000"	Restated balance ﷼ "000"
Cost of revenue		(566,499)	(4,736)	(571,235)
Gross profit		170,133	(4,736)	165,397
General and administrative		(35,073)	4,736	(30,337)
Net profit for the period		102,373	-	102,373

23 -SUBSEQUENT EVENTS

Management is not aware of any significant subsequent events that would have a material impact on the interim condensed financial statements, except for those disclosed in Note 6 and 7.

24- APPROVALS OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the board of directors on 15 Jumad I 1448 H (corresponding to 26 October 2026).