

## Article 1

viewing the Board of Directors' report for the fiscal year ending on 31 December 2025 and discussing it

To view and read the report of the Board of Directors for the year ending on December 31, 2025 AD, please see the company's website on Tadawul website or click the link below:

[https://www.saudiexchange.sa/Resources/fsPdf/400\\_0\\_2026-04-30\\_09-05-23\\_En.pdf](https://www.saudiexchange.sa/Resources/fsPdf/400_0_2026-04-30_09-05-23_En.pdf)

## Article 2

View and discuss the Consolidated Financial Statements for the fiscal year ended on 31 December 2025

To view the financial statements for the year ending on December 31, 2025 AD, please see the company's website on Tadawul website or click the link below:

[https://www.saudiexchange.sa/Resources/fsPdf/400\\_0\\_2026-03-02\\_12-51-06\\_En.pdf](https://www.saudiexchange.sa/Resources/fsPdf/400_0_2026-03-02_12-51-06_En.pdf)

## Article 3

Vote to approve the External Auditors report for the year ended on 31 December 2025 after discussing it

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

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**Opinion**

We have audited the financial statements of Arabian Pipes Company (A Saudi Joint Stock Company) (“the Company”), which comprise the statement of financial position as at 31 December 2025, statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at 31 December 2025, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in “Auditor’s responsibilities for the Audit of the Financial Statements” section of our report. We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code’s requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

**Key Audit Matters**

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. The following describes the key audit matter and how it was addressed:

| <b>Key audit matter</b>   | <b>How our audit addressed the key audit matter</b>   |
|---|---|
| <p><b>Revenue recognition</b></p> <p>During the year ended 31 December 2025, revenues from contracts with customers amounted to SR 874,055 thousand were recognized.</p> <p>Revenue recognition is considered a key audit matter as the revenue is one of the key indicators for measuring performance which results in inherent risk of overstating revenue recognized to increase profitability, due to that revenue recognition was considered as a key audit matter.</p> <p>Please refer to notes to the financial statements for accounting policy relating to revenue and related disclosure.</p> | <p>The audit procedures we performed include, among others, the following:</p> <ul style="list-style-type: none"> <li>• The appropriateness of the Company’s accounting policies related to revenue recognition and evaluating the extent of compliance of those policies with International Financial Reporting Standard No. (15) “revenue from contracts with customers “endorsed in the Kingdom of Saudi Arabia.</li> <li>• Evaluated the design, implementation, and testing the operational effectiveness of the Company’s internal controls when recognizing revenues in accordance with the company’s policy.</li> <li>• Examined revenue transactions on a sample basis and verify relevant supporting documents to verify the revenue recognition.</li> <li>• Reviewed significant sales contracts to verify the timing of revenue recognition (over a period of time or at point in time) in accordance with the requirements of International Financial Reporting Standard (15) endorsed in the Kingdom of Saudi Arabia.</li> <li>• Conducted analytical procedures on the fluctuation of revenue recognized.</li> <li>• Conducted a cut-off test on the timing of revenue recognition from services after delivering the goods or product to ensure it has been recognized in the correct accounting period.</li> <li>• Evaluated the adequacy of the Company’s disclosures regarding revenue from contracts with customers in the financial statements.</li> </ul> |



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

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**Other Information**

Management is responsible for the other information. Other information consists of the information included in the annual report but does not include the financial statements and our report thereon. It's expected that the annual report will be available to us after the date of our report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information referred to above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or it appears in other way that it is materially misstated.

When we read the annual report, when it is available to us, if we become aware of a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's by-laws, and for such internal controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

**The Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also do the following:

- Identify and evaluate the risks of material misstatements in the financial statements, whether resulting from fraud or error, design and implement audit procedures to address those risks, and obtain sufficient and appropriate audit evidence to provide a basis for expressing our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, because fraud may involve collusion, forgery, intentional omissions, misleading statements, or the override of internal control procedures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.





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

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**The Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding the appropriateness of management's application of the Going Concern Principle of accounting, and based on the audit evidence obtained, whether there is material uncertainty related to events or circumstances that may raise significant doubt about the Company's ability to continue to operate in accordance with the going concern principle. If we determine that material uncertainty exists, we are required to draw attention in our report to the relevant disclosures in the financial statements, or if those disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may cause the Company to cease continuing its business as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the transactions and events they represent in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current year and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For Maham Company for Professional Services.**

**Abdulaziz Saud Al Shabeebi  
Certified Public Accountant  
License no. (339)**

**12 Ramadan 1447H  
1 March 2026**



## Article 9

Vote on authorizing the Board of Directors with the powers of the Ordinary General Assembly, with the permission mentioned in clause (2) of Article 27 of the Companies law, for a period of one year from the date of approval by the General Assembly or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions stipulated in the executive regulations of the companies law for listed joint stock companies

## **ARABIAN PIPES COMPANY (APC)**

### **Standards and competition controls for the Arab Pipe Company**

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### **First: Introduction:**

These Competitive Business Criteria and Controls for Board Members of the Arabian pipes Company have been prepared in accordance with paragraph (3) of Article Forty-Four of the Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority by Resolution No. 8-16-2017 and dated 16/5/1438H corresponding to 13/02/2017, and amended by Resolution No. 8-5-2023 of the Board of Directors of the Capital Market Authority and dated 25/6/1444H corresponding to 18/01/2023, which states that "the Board of Directors shall notify the Ordinary General Assembly at its meeting of any competing businesses carried out by a member of the Board or a member of one of its committees, after the Board of Directors has verified that the Board member or a member of one of its committees is competing with the company's business or competing with it in one of the branches of activity it carries out, according to criteria issued by the General Assembly of the company - based on a proposal from the Board of Directors - and published on the company's website, on the condition that these businesses are verified annually."

### **Second: The concept of competitive practices:**

The following are included in the concept of engaging in any business that competes with the company or competes with it in one of the branches of activity that the company carries out:

1. The establishment of a company or a sole proprietorship by a member of the Board of Directors or owning a significant percentage of shares or interests in another company or entity that carries out an activity similar to the company's activity.
2. Accepting membership on the Board of Directors of a company or entity that competes with the company or its group, or assuming the management of a competing sole proprietorship or a competing company regardless of its form, except for subsidiaries of the company.
3. The member obtaining a commercial agency or the like, whether apparent or hidden, for another company or entity that competes with the company or its group.

### **Third: Company competition regulations:**

If a member of the Board of Directors or a member of one of its committees wishes to engage in a business that competes with the company, or competes with it in one of the branches of activity that the company carries out, the following must be observed:

1. Notifying the Board of Directors of the competing businesses with the company - directly or indirectly - that they wish to practice, and proving this notification in the minutes of the Board of Directors meeting.
2. The interested member shall not participate in voting on the decision issued in this regard in the Board of Directors, its committees, and general assemblies of shareholders.

3. The Board of Directors shall notify the Ordinary General Assembly at its meeting of any competing businesses carried out by a member of the Board or a member of one of its committees, upon confirming that the individual is engaging in activities that compete with the company's operations or its specific branches of business. These businesses shall be verified annually.
4. Obtaining a license from the Ordinary General Assembly of the company allows the member to practice competing businesses.
5. A board member is prohibited from participating in any business that directly competes with the company or its branches of operation., otherwise the company may demand appropriate compensation from the member before the competent judicial authority, unless the member has obtained a license from the Ordinary General Assembly allowing him to do so, according to the controls set by the Capital Market Authority.

#### **Fifth: Governance of standards and regulations**

The Nominations and Remuneration Committee will regularly review and assess the effectiveness of the controls and criteria in meeting their goals.

#### **Sixth: Final Provisions:**

Upon approval by the General Assembly, the company will implement and follow these criteria and controls. They will be made publicly available on the company's website for shareholders and stakeholders. Any proposed amendments shall be submitted to the Board of Directors, which shall study and review the amendments and recommend them to the General Assembly of Shareholders.

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|----------|--|
| Approval | Approved by the General Assembly dated May 14, 2024 , based on Board of Directors Resolution No (2/15-10) on the date July 26, 2023 AD |
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