

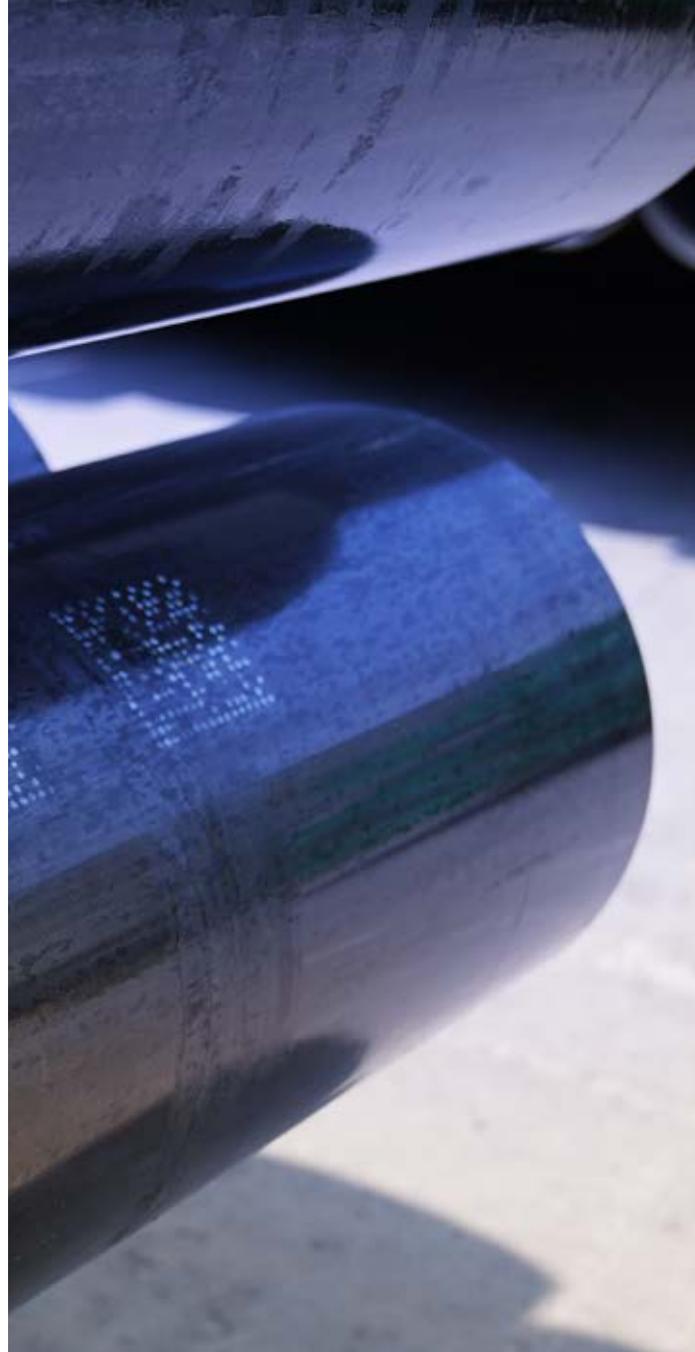


Tenaris Saudi Steel Pipes

Annual Report

2023





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The Group Profile

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An aerial night photograph of a city, likely London, showing the River Thames and the London Eye. The city lights are reflected on the water's surface. The image is partially obscured by a large blue rectangular overlay on the right side.

01

The Group Profile

Leading Indicators

 Financial Indicators (Millions of SAR)	2023	2022	2021
Sales	1,335	748	373
EBITDA ⁽¹⁾	282	112	40
EBITDA % ⁽²⁾	21%	15%	11%
Net Profit	217	54	1
Net Profit Attributable to Shareholders of the Company	173	54	1
Cash Flow from Operations	315	(12)	62
Capital Expenditures	(8)	(2)	(7)
Free Cash Flow ⁽³⁾	308	(14)	55

 Balance Sheet (Millions of SAR)	2023	2022	2021
Total Assets	2,044	1,038	972
Total Borrowings	528	223	227
Total Liabilities	1,151	488	477
Net Debt	319	144	128
Shareholders' Equity	722	551	495
Gearing Ratio ⁽⁴⁾	2.8x	3.8x	3.9x

 People	2023	2022	2021
Number of employees	687	294	284
Saudization %	47	60	57

(1) Defined as Earnings before Interests, Taxes, Depreciations and Amortizations.

(2) EBITDA / Sales

(3) Defined as Operating Cash Flow less Capital Expenditures

(4) Defined as Total Equity / Net Debt

Letter from the Board



Dear Shareholders,
Peace and blessings of God be upon you.

We are pleased to present the Annual Report of the business operations and performance of Saudi Steel Pipe Company (“SSP”) and its subsidiaries (collectively referred to as “the Group”) for the fiscal year ended on December 31st, 2023, in accordance with the applicable laws, regulations, and disclosure requirements of the Capital Market Authority.

[This report and the consolidated financial statements reflect the Group’s performance during the year 2023 and summarize its activities.](#)

2023 was a record year for the Group. Factors that contributed to the outstanding results of the year include: the consolidation of the post-acquisition results of Global Pipe Company (“GPC”) after SSP increased its total ownership interest in it to 57.27% and the capitalization on related synergy opportunities; the relatively stabilized market conditions and higher demand for our Oil and Gas products, which enhanced our mix of products sold; the materialization of key initiatives, securing a steady order backlog including relevant exports to regional clients; and continuous efforts to improve efficiency and maintain an effective working capital management and cash discipline.

Our revenue grew 79% to 1,335 million SAR from 748 million SAR in 2022, our EBITDA rose to 282 million SAR from 112 million SAR in 2022, or 21% of revenue compared to 15% in 2022, and our net profit attributable to shareholders of the Company rose to 173 million SAR from 54 million SAR in 2022. In addition, we recorded a positive free cash flow of 308 million SAR and maintained a solid solvency position despite the increase in our net debt due to the consolidation of GPC’s financial position.

We continued investing in the development of our employees by placing significant emphasis on team-building activities, enhancing

Letter from the Board

managerial and technical skills, and providing opportunities for international experiences. Notably, we continue to recruit young Saudi professionals who we believe will play a pivotal role in shaping the future of our company.

During the period, the Group's priority continued to be safeguarding the health and safety of its employees, customers and suppliers, implementing all necessary measures in full compliance with local and international best practices and recording no major event since 2019. For GPC, a comprehensive HSE Program has been established focusing both on Investments to mitigate Risks and on Training/Awareness.

We will continue working to strengthen our sustainable growth based on SSP values and firm commitment towards innovation, transformation, transparency, service to our customers and care for our employees and our environment in full alignment with our vision of becoming the leading supplier of pipes and related services for the MENA's energy industry.

The Group fully supports the Kingdom of Saudi Arabia's commitment and efforts to achieving Vision 2030 and aspires to contribute to the transformation that it will bring to the country and its people, including attracting foreign direct investment to consolidate the Kingdom's further growth and prosperity.

The Board of Directors would like to extend its sincere thanks and gratitude to the leadership of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince, and Prime Minister of the Kingdom of Saudi Arabia, for their continuous efforts for the prosperity of the national economy and unlimited support for the industrial sector in the Kingdom.

Our thanks are also due to our talented and loyal employees for their efforts and achievements. And we would like to thank our customers, suppliers, and shareholders as well for the continuing trust, support and confidence in our company.





Information on the Group

SSP is a leading manufacturer and supplier of electric resistance welded steel pipes (ERW) for the energy, industrial, and construction segments in the Middle East and North Africa (MENA).

In addition, Global Pipe Company (a subsidiary of SSP) is also a leading manufacturer, and supplier, of submerged welded pipes (Longitudinal Submerged Arc Welding "LSAW") for the energy, industrial, and construction segments in the Middle East and North Africa (MENA).

The group (SSP and its subsidiary) offers oil and gas customers a full range of products including Oil Country Tubular Goods (OCTG), Line Pipes (LP), API & Premium Connections (PC) and related accessories and services. It also serves customers in the industrial and construction segment with a wide range of black and galvanized pipes.

Our mission is to deliver value to our customers through product and process innovation, manufacturing excellence, supply chain integration, and technical assistance and customer service. We aim at reducing risk and costs, increasing flexibility and improving time-to-market.

Wherever we operate, we are committed to safety, minimizing our impact on the environment, providing opportunities for our people, and contributing to the sustainable development of our communities. Our employees seek constant improvement by sharing knowledge across a single global organization.

1980 SSP was initially incorporated as a limited liability mixed industrial company (Saudi-Korean)

2008 Became a closed joint stock company

2009 Became a public joint stock company

Since then, SSP embarked upon an ambitious plan to lead pipe technology and related services in the region and raised its production capacity to more than 400 thousand tons a year in sizes from 1/2" to 20" OD, as well as added coating services up to 30", and bending services up to 64" OD.

2023 SSP acquired an additional 22.27% interest in Global Pipe Company, increasing SSP total ownership interest to 57.27%.



ERW facilities are located in the 2nd Industrial City of Dammam and LSAW facilities are located in Jubail Industrial area. The Group service and distribution network covers more than 20 countries.



The Group's products are manufactured according to stringent quality and safety, national and International standards.



The Group received: ISO 9001 for Quality, OHSAS 18001 & ISO14001 for Safety and Environmental management, ISO 17025 for Laboratory Accreditation, API 5L for Manufacturing of Line Pipes, API 2B for Manufacturing of Structural Pipes, API Q1 for Manufacturing quality.



The Group's companies are also qualified with major Oil & Gas companies, and EPC contractors, in the region.

SSP also owns:



Of Titanium and Steel Manufacturing Company Ltd. (TSM). During 2021, TSM sold its main operating assets. For more details, refer to the section "Investments and Related Companies".



Of Global Pipe Company located in Jubail Industrial City. GPC produces Longitudinally Submerged Arc Welded Pipes (LSAW) for the energy, industrial and construction segments of the MENA region and has a production capacity of 400 thousand tons a year in sizes from 16" to 62" OD. During the year, SSP acquired an additional 22.27% interest in GPC which increased SSP total ownership to 57.27%. For more details, refer to the section "Investments and Related Companies."



Of Chemical Development Co. Ltd., a holding company established to develop industrial projects. The main project of CDC is the polysilicon factory located in Jubail City and which was established in cooperation with the Korean company KCC.



"SSP" and "the Company" refers to Saudi Steel Pipe Company, while the "the Group" refers to SSP together with TSM and GPC.



The Group workforce includes 687 employees with a Saudization index over 47%.

Industrial Excellence and Facilities



The Group operates relatively low-cost production facilities, which we believe is the result of state of-the-art, strategically-located plants; favorable access to high-quality raw materials, energy, and labor at competitive rates; an operating history that translates into solid industrial know-how; constant benchmarking and best practices; increasing specialization of each of our factories in specific product ranges; and extensive use of information technology in our production processes.

The Group has five factories in Dammam 2nd Industrial City and four production lines in its factory located in Jubail Industrial City

The pipes produced by the Group undergo multiple non-destructive and destructive tests and inspections to ensure their quality and compliance with national and international standards and customer specifications. These operations are conducted in the Group's own finishing lines and inspection laboratories, which are both equipped with the latest measurement and inspection equipment.

Factories in Dammam 2nd Industrial City

	01 SOD Small Outside Diameter Pipes Plant	02 MOD Medium Outside Diameter Pipes Plant
Production	Pipes (black and galvanized)	Pipes
Sizes	From 1/2 to 4" OD	From 2 to 8" OD
Production Lines	3	1
Total Production Capacity	80 thousand tons per year	120 thousand tons per year
Applications	Industrial and construction segments in the MENA region	Energy, industrial, and construction segments in the MENA region



<p style="text-align: right; font-size: 2em; font-weight: bold;">03</p> <p>LOD Large Outside Diameter Pipes Plant</p>	<p style="text-align: right; font-size: 2em; font-weight: bold;">04</p> <p>Pipes Bending Plant</p>	<p style="text-align: right; font-size: 2em; font-weight: bold;">05</p> <p>Pipes Coating Plant</p>
Pipes	Pipe bending and heat treatment services	Pipe coating
From 6 to 20" OD	From 2 to 64" OD	From 4 to 30" OD
1	3 induction heat-bending lines and 2 heat treatment furnaces in the plant	1
200 thousand tons per year	-	1,000,000 m ² per year
Energy, industrial, and construction segments in the MENA region	Energy, industrial, and construction segments in the MENA region	Energy, industrial and construction segments in the MENA region

Production lines in Jubail Industrial City Factory

	01 JCO Bending Press Line	02 Three Roll Bending Line (3RB)
Production	Pipes	Pipes
Sizes	From 16 to 62" OD	From 24 to 62" OD
Production Lines	-	-
Total Production Capacity	170 thousand tons per year	200 thousand tons per year
Applications	<p>Onshore/offshore oil and gas transmission lines.</p> <p>GPC is the first steel pipe producer in the Middle East that can manufacture line pipes with this range. No other steel pipe manufacturer in this region is in the position to offer such a complete product portfolio of LSAW pipes for the oil and gas industry.</p>	<p>Onshore/offshore oil and gas transmission lines.</p> <p>This line expands GPC production capacity and makes it the only manufacturer in the region with alternative forming routes assuring continuity in production when required.</p>



03

Four Roll
Bending Line (4RB)

Pipes

From 42 to 200" OD

-

30 thousand tons per year

Leg cans/bracing of jackets, conductor pipes, piling pipes and civil construction such as high rise buildings, stadiums and airports.

04

Well Casing

Connector pipes

Connectors for 24 to 30" OD
Joints

-

30 thousand tons per year

Well Casing/OCTG and drilling activities.

Business Operations Results

Sales

The Group's 2023 sales were distributed among different business activities as follows:

Activity	Sales Thousands SAR	Percentage %
Pipes (ERW)	788,065	59
Pipes (LSAW)	540,586	41
Accessories	2,853	0
Services	3,203	0
Total	1,334,708	100

The sales of TSM and GPC (post-acquisition) and the contribution to The Group results in 2023 were as follows:

Company	TSM	GPC
Relationship	Subsidiary	Subsidiary
Activity	Process Equipment	Pipes (LSAW)
Percentage of Ownership %	100	57
Annual Sales	-	540,586
SSP's Share of Results	(200)	62,374

Note:

GPC results are consolidated in SSP's financial statements from May 17, 2023.

TSM results are fully consolidated in SSP's financial statements but disclosed separately in a single line item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under "Profit/(loss) from discontinued operations."

For more details, refer to the section "Investment and Related Companies."

Geographical Distribution

The geographical distribution of the Group's sales were as follows:

Total Sales in 2023

1,334,708

Thousands SAR

Local Sales

1,010,162

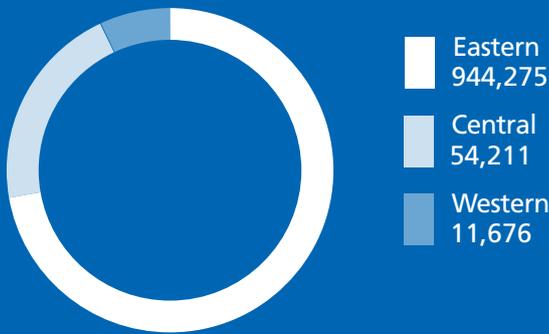
Thousands SAR

Export Sales

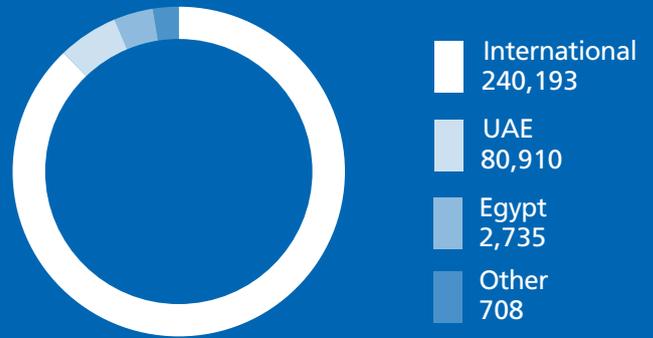
324,546

Thousands SAR

Local Sales



Export Sales



In addition, the geographical distribution of SSP subsidiary companies' sales were as follows:

Year 2023 (Thousands SAR)

Company	TSM	GPC
Relationship	Subsidiary	Subsidiary
Geographical Analysis		
Total Sales	-	540,586
Local Sales	-	459,927
Exports	-	80,659



Vision and Milestones

Vision

SSP's vision is to become the leading supplier of pipes and related services for the MENA's energy industry, and certain other industrial applications, by innovating and expanding our catalogue of products and services and by turning into a key strategic partner of Saudi Aramco and other oil and gas companies in the region. SSP aims to become the most well-regarded Tadawul Listed Company in the industry and the top pipe and services supplier in the Kingdom of Saudi Arabia (KSA).

Through our operations in the KSA, we are committed to safety and minimizing our impact on the environment, providing opportunities for our people, and contributing to the sustainable development of our communities and our employees. We seek constant improvement by sharing knowledge across our global organization.



SSP's values are:

01.

Nothing is more important than the health and safety of everyone who enters our facilities or uses our products and services.

02.

Serving our customers by understanding their needs and fulfilling our commitments efficiently and transparently; employing supply chain innovation and digital tools to make it easier for our customers to conduct their business.

03.

Communicating transparently with our shareholders, customers, employees, suppliers and local communities.

04.

Conducting business in accordance with the highest ethical standards.

05.

Caring for our people, offering opportunities for development and continuous learning, and providing rewards based on merit and achievement.

06.

Addressing climate change and minimizing the environmental impact of all of our operations.

07.

Promoting the long-term sustainability of our business and our local communities with a focus on education and excellence.

08.

Leading our industry with a constant focus on innovation, developing new product technologies, transforming industrial processes and using digital technologies to set new standards of customer service and efficiency.

09.

Rational management, making decisions after duly analyzing the relevant information.

10.

Using our resources wisely, operating without waste or excess.

11.

Embracing diversity in all its forms (culture, gender, creed, race, nationality, and generation) as a factor that creates value, and ensuring a work environment free from any form of harassment

Milestones

Among the most relevant results of 2023, the following achievements can be highlighted:



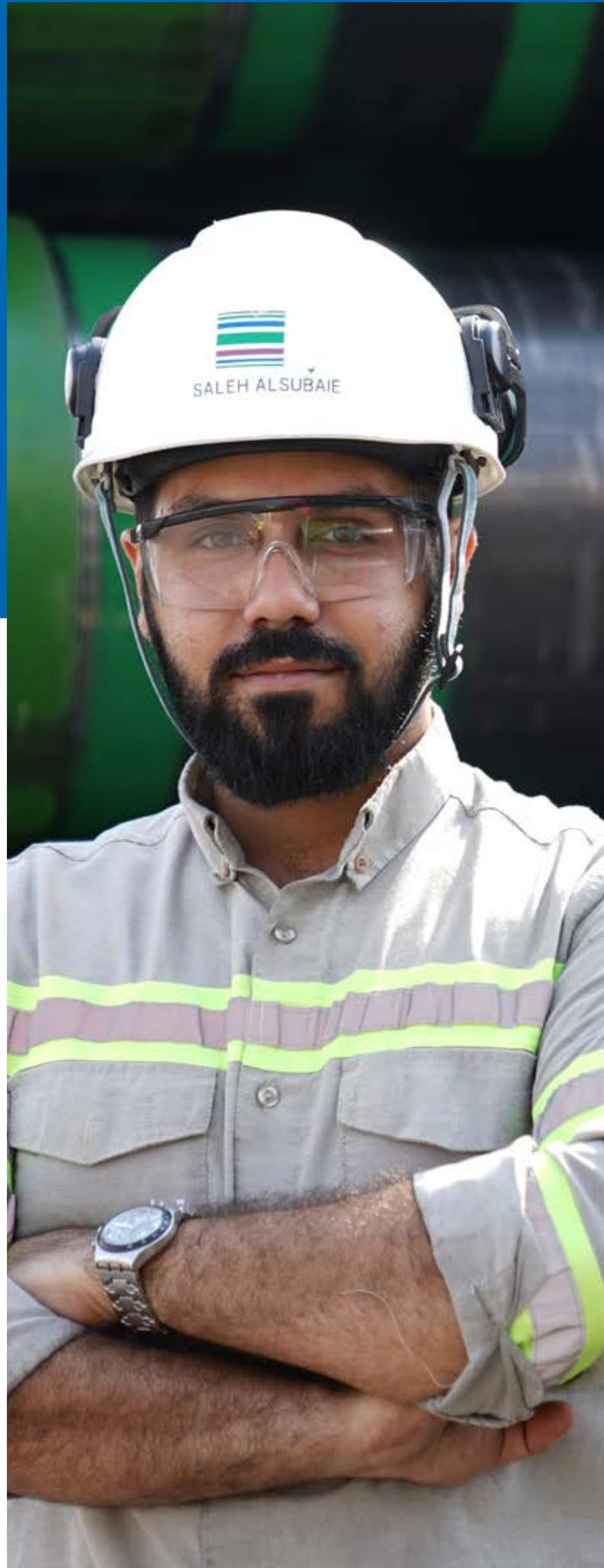
Business growth:

- On May 17, 2023, the Company acquired an additional 22.27% ownership participation in GPC for a purchase price of 6.3 million USD (equivalent to 23.6 million SAR) paid in cash. This increased the Company's total ownership interest from 35% to 57.27% and GPC thereby became a subsidiary of the Company. Accordingly, the Company consolidates GPC's balances and results of operations starting from May 17, 2023.



An Improved Health, Safety & Environment (HSE) Culture:

- Another successful year of 100% completion of medical check-ups for all employees as part of the Health and Wellbeing Program, which aims to improve individuals' awareness of their state of health to grant them the opportunity to take preventive actions based on check-up results and specialist recommendations.
- Continuous improvements in preventive measures and activities focused on increasing safety awareness and improving the involvement and contribution by all employees at all levels,



which led to a reduction in the Injury Frequency Rate (IFR). In addition, there has been continuous enhancement of activities related to conditional issues, and more than 2 thousand improvement actions including actions to reduce high-risk activities.

- Completion of more than 4 thousand hours of HSE training including minimum requirements

for certification of high-risk activities.

- Establishment of a comprehensive HSE Program for GPC focusing both on investments to mitigate risks and on training/awareness sessions including HSE inductions.



Focused on Human Resources (HR) and Training:

- The year 2023 has been a year of increased focus on training and development, in which many of our employees participated in in-Kingdom and out of Kingdom training and development programs aimed to enhance their technical knowledge and experience and develop their managerial and leadership skills (a remarkable 14.7 thousand training man-hours completed in 2023). These trainings and programs included the Management Essential program, the Management Development program, Global Technical Training programs, the Tenaris University Induction Camp (TUIC), and others.
- Moreover, young Saudi national professionals were recruited under the Global Trainee Program, strategically building a robust pool of local talent to be developed for future leadership positions in the company. Additional trainees graduated from the Program during 2023 after successfully fulfilling their requirements and completing their final training in Argentina.
- Multiple initiatives have been conducted during the year as part of the Company's efforts in making a positive impact on the community, including a collaboration with a technical institute by donating pipes for educational purposes, allowing students to gain hands-on experience in inspection practices, and the revamping of the mechanical lab at the ITQAN institute by providing state-of-the-art testing machines, enabling students to enhance their technical skills and knowledge through practical learning.



Industrial Operations, Supply Chain and Quality highlights:

- Execution of ISO 17025, ISO 9001, API recertification, manufacturing services, and customer audits with no major non-compliance reported.
- Further progress in consolidation of industrial performance through improvements in time utilization and technological implementations, smart inspections, detection systems, online monitoring tools, production line enhancements, and automation.
- Execution of the 1st edition of the Welded School for Tenaris with 25 engineers participating from 5 countries: Argentina, Brazil, Canada, Saudi Arabia, and USA. This aimed to present the new ERW technologies and process controls deployed in KSA facilities.
- Development of a new product route for bending services through collaboration between SSP and GPC.
- Production and execution of export orders of multiple size OCTG pipes and accessories for MENA customers.
- New products qualification for different sizes and new premium connection qualification with a major regional oil and gas company.
- Qualification of the induction bending plant with a major EPC contractor.
- Production of Line Pipe orders for hydrogen and nitrogen applications as well as for major local gas projects (e.g., Master Gas) that are vital for Saudi Arabia to support the development of its non-associated gas, unconventional gas, and related condensate reserves.
- Saudi Aramco awarded GPC for its outstanding 2023 quality performance and reliability.
- Creation of in-Kingdom value by cooperating in R&D activities with a local steel supplier (Hadeed).



Commercial

- Securing new export orders for key customers within the GCC in line with the Group aspiration of being the leading supplier of pipes and related services for the MENA region's energy industry.
- Securing new Saudi Aramco OCTG orders and Line Pipe orders, including key projects such as the Master Gas and Industrial cluster.
- Establishment of LSAW Long Term Agreement with Saudi Aramco, a landmark in turning into a key strategic partner for Saudi Aramco.
- Developing new production routes to deliver bends produced 100% within KSA.



Financial:

- Achievement of a historical level of EBITDA amounting to 282 million SAR, with a 21% margin (compared to 112 million SAR, with a 15% margin in 2022), resulting mainly from higher sales volume due to consolidating the results of GPC after SSP increased its total ownership interest in GPC to 57.27%. Achieved a better mix of products sold and enhanced efficiencies.
- Significant improvement in solvency position with Net Debt/EBITDA at 1.1 (1.3 in 2022).
- Recorded historic levels of positive free cash flow at 308 million SAR as a result of improved profitability and effective working capital management (compared to a negative free cash flow of -14 million SAR in 2022). Net debt increased to 319 million SAR as a result of consolidating the financial position of GPC (compared to 144 million SAR in 2022).

Investments & Related Companies

Since SSP became a public joint stock company, it has invested in the establishment of three companies as shown below:

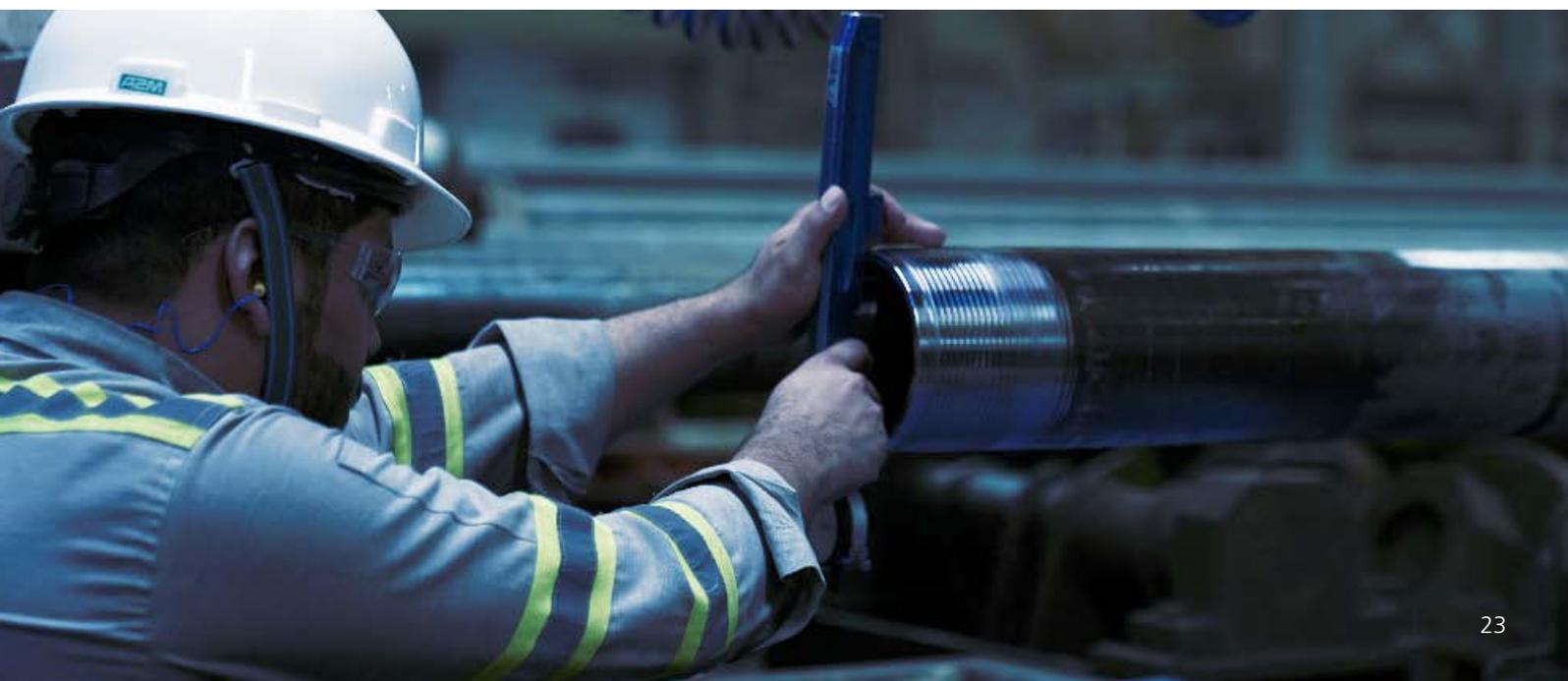
01. Titanium & Steel Manufacturing Co.Ltd.(TSM)

TSM was established to produce stationary process equipment such as heat exchangers and pressure vessels used in oil and gas plants, petrochemical industries, power generators and water desalination with a total investment exceeding **100 Million SAR** and paid-up capital of **32 Million SAR** of which SSP owns **100%**.

During 2021, TSM sold its main operating assets, which include buildings, machinery and equipment, and other assets with a total net book value of **16.7 Million SAR** for a selling price equivalent to **36.4 Million SAR**, thus recording a gain on the sale amounting to **19.6 Million SAR**.

 Total investment
100 Million SAR

 Paid-up capital
32 Million SAR



02. Global Pipe Company (GPC)

GPC was established to produce Longitudinally Submerged Arc Welded Pipes (LSAW) for the energy, industrial and construction sectors in the MENA region, with a paid-up capital of **125 Million SAR**, which was subsequently increased to **250 Million SAR**. GPC is located in Jubail city.

Following the commissioning of the 3RB line, GPC duplicate its production capacity from 200 thousand tons per year for sizes ranging from 16" to 62" OD, to 400 thousand tons per year.

On May 17, 2023, the Company acquired an additional 22.27% in ownership participation in GPC for a purchase price of 6.3 million USD (equivalent to **23.6 million SAR**) paid in cash, which increased the Company total ownership interest from 35% to **57.27%**, thereby becoming a Company's subsidiary. The Company started to consolidate GPC's balances and results of operations starting from May 17, 2023.



Paid-up capital
125 Million SAR



Subsequently increased to
250 Million SAR

03. Chemical Development Company (CDC)

CDC is a company established to develop industrial projects with a paid-up capital of **300 million SAR**. The main project of CDC was the polysilicon factory located in Jubail City, established in cooperation with the Korean company KCC. Due to the sharp decline in the prices of polysilicon as a result of the increase in global production, and the delay in the implementation of the renewable energy program in the KSA, the company had severe financial difficulties. The factory has been shutdown and its liquidation process is ongoing.

SSP owns **20%** of all of the issued shares of CDC. SSP has previously written off the entire investment value from its financial statements in 2016 and 2017.



Paid-up capital
300 Million SAR

The table below summarizes SSP's ownership in the above investments:

Company	Core Activities	Location	State of Incorporation	Ownership %
TSM	Manufacturing of heat exchangers, pressure vessels, reactors, condensers & pipe connectors	KSA	KSA	100%
GPC	Manufacturing of large OD welded pipes (LSAW) with high thickness and diameters	KSA	KSA	57.27%
CDC	Establishing, executing and operating industrial projects related to the chemical industries and renewable energy.	KSA	KSA	20%

The table below describes the shareholding in each of the above companies:

Company	Total number of shares	Shareholders	Number of shares	Ownership %
TSM	3.2 Million	SSP	3,200,000	100
GPC	25 Million	SSP	14,317,500	57
		Ahmed Hamad Al Khonaini	8,182,500	33
		Pan Gulf Industrial Investment Company	2,500,000	10
CDC	30 Million	SSP	6,000,000	20
		Higher University Education Fund	4,922,067	16.4
		Al Olayan Finance	4,019,041	13.4
		Suhail Bin Abdulmuhsin Al Showaibi & Sons Holding Company	2,640,800	8.8
		Abdullah AlHamd Al Sagr & Brothers Company (Kuwait)	2,546,488	8.5
		Others (19 shareholders)	9,871,604	32.9



Principal Risks & Uncertainties

The risks and uncertainties described below should be carefully considered, together with all other information contained in this report, before making any investment decisions. Any of these risks and uncertainties could have an adverse material effect on our business, revenues, financial condition, and results of operations, which could in turn affect the price of shares.

In the coming years, the Company could face some risks, which include:

01. Risks Relating to Our Industry

- Sales and profitability could fall as a result of downturns in the international price of oil and gas and other circumstances affecting the energy industry. Lower oil prices could affect OCTG demand as well as Line Pipe projects in all sectors.
- Climate change legislation or regulations, could curtail demand for fossil fuels, and therefore demand for our products and services could be reduced.
- Competition in the market for steel pipe products (including from GCC and overseas manufacturers) could cause SSP to lose market share and adversely affect SSP's sales and profitability.
- Increase in the cost of raw materials, energy and other costs, limitations or disruptions to the supply of raw materials and energy, and price mismatches between raw materials and our products could adversely affect SSP's profitability.
- Substitution of steel products with alternative materials (such as plastics or composites) that might be used in the oil and gas industry could adversely affect SSP's profitability.
- Our results of operations and financial conditions could be adversely affected by low levels of capacity utilization.



02. Risks Relating to Our Business

- Adverse economic, or political conditions, in the countries where SSP sells its products and services could decrease SSP sales or disrupt SSP manufacturing operations, thereby adversely affecting SSP revenues, profitability and financial condition.
- Difficulties in the successful implementation of SSP' business strategy could adversely affect SSP's competitive position and ultimately SSP' sales and profitability.
- Regulatory risks resulting from new regulations or legislation could adversely impact the cost of production, including those related to utility prices, labor taxes, or expat costs, which could lead to lower profit margins.
- Changes in applicable tax regulations could adversely affect our financial results.
- Disruptions to SSP manufacturing processes could adversely affect SSP operations, customer service levels and financial results
- Costs of complying with environmental regulations and potential environmental and product liabilities could increase SSP's operating costs and negatively impact its business, financial condition, results of operations, and prospects.
- The requirement to record significant changes to earnings if SSP must reassess its goodwill, or other assets following, as a result of changes in assumptions underlying the carrying value of certain assets, particularly as a consequence of deteriorating market conditions, could adversely affect our financial results..
- Cyberattacks could have an adverse material impact on SSP's business and results of operation.

SSP continuously monitors potential risks which that could may adversely affect its business and operations and formulates mitigation plans as appropriate needed to ensure the continuity of SSP's operations, goals, and shareholders aspirations.

Human Resources

Saudization

The table below shows the percentage of Saudi citizens in the Group by main department. In 2023, Saudi nationals represented 47% of the Group's total workforce. SSP continues to be in the "excellent" range according to the criteria of the "NETAQAT" program.

Year ending 31 December 2023

Section	Total	Saudi	Non Saudis	Ratio (%)
Executive Management	4	1	3	25
Administrative Affairs	81	44	37	54
Sales	13	7	6	54
Accounting	11	8	3	73
Quality Assurance	47	18	29	38
Production	531	246	285	46
Total	687	324	363	47%

SSP is fully committed to Saudi Vision 2030 and continues to build on local talent, hiring and developing Saudi nationals.

The table below shows the 2022 figures of the Group:

Section	Total	Saudi	Non Saudis	Ratio (%)
Executive Management	3	1	2	33
Administrative Affairs	32	19	13	59
Sales	11	7	4	64
Accounting	6	4	2	67
Quality Assurance	19	4	15	21
Production	223	141	82	63
Total	294	176	118	60%

Global Trainee and Management Essential Programs

Eight Global Trainees participated in different editions of the Tenaris University Induction Camp (TUIC) during 2023. TUIC is a strategic development program that aims to create a global pool of Global Trainees with a strong industrial and business base and is usually conducted in Argentina.

One manager graduated from the Management Development Program's 2023 edition. The Management Development Program is a blended program that provides the skills for managers to take an active role in decision making and the baseline behaviors for leadership within the company.

Four managers have successfully completed the Management Essential Program, a specialized program tailored for newly-promoted managers. Over the course of nine months, participants undergo comprehensive training to cultivate essential skills for effectively leading teams, empowering them to accelerate their path towards exceptional leadership.

A group of six employees from various industrial departments had the opportunity to participate in distinct global Technical Training Programs held in the United States, Mexico, Argentina, and Italy. These programs were designed to enhance their technical skills and knowledge in specific areas, and provide them with valuable international training experiences.



Performance Management Process

During 2023,

SSP’s comprehensive 2023 Performance Management Process (PMP) concluded successfully, utilizing the efficient PMP system. This system helped employees and their supervisors to define and mutually agree upon the annual Work Plan with the flexibility to make updates throughout the year. Performance evaluation was conducted based on the attainment of work plan objectives and the demonstrated level of competencies, which were meticulously calibrated and normalized during the final Performance Committee assessment.

Training

During 2023,

SSP provided around 14.7 thousand hours of training to its workforce. These training hours were a combination of classroom courses, online courses, and on the job training.

In 2023,

There was a heightened emphasis on training. This aimed to enhance not only the technical expertise of shop floor employees but also the leadership and management abilities of shift leaders and managers. Consequently, a multitude of courses were meticulously planned and executed, encompassing a range of training programs. Notably, in 2023, several soft skill training programs were introduced, including the Self-Development Program, Leadership and Management Skills Program, and Strategic Management Program. These initiatives were implemented to foster a well-rounded skill set among employees and equip them with the necessary tools for personal and professional growth.

Employee Category	Safety	Others	Total	Safety Training %
Shop Floor	2,634	5,678	8,312	32
Staff	1,650	4,753	6,403	26
Total	4,284	10,431	14,715	29





02

Corporate Governance



Internal Controls

Management is responsible for establishing and maintaining a system of internal controls that is effective, comprehensive, and at a reasonable cost, and that contributes in achieving its objectives, and ensures the accuracy and integrity of financial reports and compliance with applicable laws and regulations.

Systems of internal controls in organizations of the size and nature of the Company, regardless of efficiency and effectiveness, cannot provide absolute assurance, inter alia, as to the complete absence of errors and omissions, accuracy of financial reporting, and full compliance with applicable laws, regulations, contracts, policies, and procedures.

Based on its periodic meetings with and the reports submitted by Management as well as the external auditors and IAD, the Committee's attention was not drawn to any fundamental weaknesses in the Company's system of internal controls that may affect the fairness of the Company's financial statements or that require drawing the attention of the shareholders of the Company.

Compliance with CMA Corporate Governance Regulations

SSP has implemented the provisions required by the Corporate Governance Regulations of the Capital Market Authority except:

Article # / paragraph	Text of article /item	Comments
39/A-F	The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.	This is a guiding article. SSP has a mechanism to assess the performance of executive management. SSP is currently evaluating implementing a mechanism to assess the board, its members, and its committees.
57 -60	Formation of the Remuneration Committee	As per article 47, item 7, SSP has merged the Remuneration and Nomination committees into a single committee called the Remuneration and Nomination Committee. These are guiding articles. As per article 47, the Board has not seen the formation of a Risk Management Committee to be necessary at this stage. SSP has had a Risk Management Policy in effect since 2020.
61 -64	Formation of the Nomination Committee	
67	Composition of the Risk Management Committee	
68	Competencies of the Risk Management Committee	
69	Meetings of the Risk Management Committee	
71/ A	For purposes of implementing the approved internal control system, the Company shall establish units or departments for the assessment and management of risks and for internal auditing.	SSP has an internal auditing department and adequate internal control systems in place and the risk management tasks are currently being performed by operational departments.
82/3	Establishing social organizations for the benefit of the Company's employees.	This is a guiding article. SSP does not consider it necessary to form social organizations for employees and applies only item 1 of article 85.
84	Social responsibility	These are guiding articles.
85	Social initiatives	
86/3	The Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods.	SSP updates the Company's website periodically, based on disclosure regulations requirements.
92	Formation of the Corporate Governance	This is a guiding article. According to article 47, the Board may consider the formation of a corporate governance committee. The Board has not seen its formation as necessary at this stage. The Board has adopted internal compliance policies for the existing Corporate Governance Regulations and actively monitor compliance with them.

Board of Directors, Committees & Executive Management

SSP Board of Directors (9 Members)

Moahammad A. Alshayea

Chairman of the Board of Directors

Independent

Mr. Alshayea is the Chairman of the BoD. He is also an audit committee member in MBC Group and Alarabiya.

He is an audit committee member of Riyadh Cement; a board member, member of the risk Committee, and chairman of the audit committee of Amlak International Finance; a board member and chairman of the audit committee of Hedab Alkhaleej; board member of Saudi Gelatin and Capsules; chairman of the board for Ebtikarsoft; and audit committee member of Alrabie Saudi Foods. He also previously served on the board and chaired audit and other committees of many other companies and institutions.

Mr. Alshayea has more than 33 years of experience in different industries. He holds a Bachelor's Degree in Accounting from Imam Muhammad Ibn Saud University (administrative sciences division), a Master's of Science in Accounting from the University of Illinois, Urbana-Champaign and is a graduate of the Advanced Management Program at Harvard Business School. He is also a Certified Public Accountant with the American Institute of Certified Public Accountants and the Saudi Organization for Certified Public Accountants; a Certified Business Manager with the Association of Professionals in Business Management; a Certified Internal Auditor from the Institute of Internal Auditors; and a Licensed Financial Adviser.

SSP is managed by a Board of Directors (BoD) consisting of nine (9) members elected by the General Assembly before the end of their terms, which last for a period of three (3) years according to SSP's bylaws and SSP Corporate Governance Regulations (CGR).

On November 15, 2023, the BoD accepted the resignation of Mr. Mariano Armengol as a BoD member, which was effective as of the resolution's date. On the same date, the BoD approved the appointment of Mr. Francisco Zini as BoD member based on the RNC's recommendation, effective November 16, 2023. Mr. Zini will complete the remaining period of the term of his predecessor (6 June 2025). His appointment will be submitted to the General Assembly for consideration. The term of the current BoD members runs from June 7th 2022 until June 6th 2025.

The following section provides information about the members of the BoD as of December 31st, 2023, together with their positions, and classifications, according to the CGR:

Carlos Ferreyra

Vice-Chairman of the Board of Directors.

Non-Executive

Mr. Ferreyra is the Vice-Chairman of the BoD. He is also a member of the Board of Directors of the Global Pipe Company (57% owned by SSP) and Titanium and Steel Manufacturing Co. Ltd. (100% owned by SSP), Tenaris Saudi Arabia Co. Ltd., Tenaris Baogang Baotou Steel Pipes, Tenaris Global Services Australia PTY Ltd., Tenaris Etihad Tubulars - Sole Proprietorship L.L.C., Tenaris Global Services Far East Pte. Ltd., Hydril Private, Tenaris Qingdao Steel Pipes Ltd., Tenaris Global Services (Japan), Tenaris Global Services (Vietnam), Tenaris Global Services (Korea), Tenaris Global Services (Thailand), and Tenaris Global Services SAE (Egypt). He also serves as Regional Chief Financial Officer at Tenaris, where he previously held several managerial positions across South America, the Middle East, Africa, and Asia. Mr. Ferreyra holds a Bachelor's Degree in Accounting from Universidad Nacional de Rosario, a Master's in Economics from CEMA University and a Master's of Business Administration from London Business School.

Renwar Berzinji

Member of the Board of Directors & Managing Director

Executive

Mr. Berzinji is a member of the BoD and holds the Managing Director & Chief Executive Officer positions for SSP. He is also Chairman of the Board of Director of the Global Pipe Company (57% owned by SSP) and a member of the Board of Directors of Titanium and Steel Manufacturing Co.

(100% owned by SSP). He was also a member of the Board of Directors of Tenaris Saudi Arabia Ltd. Mr. Berzinji previously held different commercial, operational, and planning positions in Tenaris managing international teams. He holds a Bachelor's of Mechanical Engineering from UT Austin and a Master's of Business Administration from Kellogg - Northwestern University.

Salman Ahmed Akbar

Member of the Board of Directors

Independent

Mr. Ahmed is a member of the BoD and chairs the Audit Committee. Previously, he served as a Senior Partner at Manara Equity Partners, a Regional MD for Ansbacher & Co., and was a Partner in PricewaterhouseCoopers. He has 46 years of experience in governance, risk, audits, accounting, and finance and investment matters, and has acted as an advisor to several private and public organizations in Saudi Arabia, Bahrain, UAE, Qatar, the Channel Islands and the United Kingdom. He is a Chartered Accountant and member of the Institute of Chartered Accountants in England & Wales and of the Institute of Chartered Accountants of Pakistan. He also holds a Corporate Finance Qualification from the Institute of Chartered Accountants in England & Wales and is a Certified Director from the University of Lahore.

Hoon Park

Member of the Board of Directors

Non-Executive

Mr. Park is a member of the BoD. He is also a member of the Board of Directors for Husteel Co., Ltd. Mr. Park serves as CEO for Husteel Co., Ltd. Previously he served as Executive Director and President for Hu Steel and Executive Director and Chairman of Shinan Korean Company. Mr. Park has more than 23 years of experience in the tubular industry and management, and holds a PhD in Architectural Engineering.

Yves Walid

Member of the Board of Directors

Non-Executive

Mr. Yves is a member of the BoD. He is also a member of the Board of Directors of Tenaris Saudi Arabia Co. Ltd. He currently serves as Commercial Director for Kuwait, Qatar, and Oman at Tenaris, where he previously held different commercial positions. Mr.

Yves holds a Bachelor's of Chemical Engineering from the Higher Industrial Institute of Brussels.

Youngwook Chang

Member of the Board of Directors

Independent

Mr. Chang is a member of the BoD and chairs the Remuneration and Nomination Committee. He is also a board member and CEO of Zedan Group. He has 14 years of experience in the oil and gas industry and worked previously as manager of Middle East Engineering & Development Co. (MEEDCO, an affiliate of Hyundai E&C). He was also the Business Development Manager of Hyundai E&C and an Associate of the Overseas Building Division of POSCO E&C. Mr. Chang holds a Bachelor's of Science degree in Business Administration from Sogang University (Seoul, Rep. of Korea).

Majed Al-Dakheel

Member of the Board of Directors

Independent

Mr. Majed is a Member of the BoD, He is also a board and audit committee member in the Saudi Ceramic Company. He was a member of the Board of Directors at SIMAH, the Saudi Credit Bureau. Mr. Majed has over 22 years of experience in the financial and banking sector, and currently acts as the Executive Vice President of Finance at the Social Development Bank. He received a Bachelor's in Accounting in 2001.

Francisco Zini

Member of the Board of Directors

Non-Executive

Mr. Zini is a member of the BoD. He is also a member of the board of directors of Hydril Indonesia. Mr. Zini has more than 20 years of experience working in the oil and energy industry, currently serves as the Vice-President of Supply Chain (Eastern Hemisphere) for Tenaris, and previously served as CEO Advisor for Trade Tariff USA and as VP Supply Chain USA for Tenaris. Mr. Zini is a graduate of MIT and ITBA.

Resigned effective November 15, 2023

Mariano Armengol

Member of the Board of Directors

Mr. Armengol was a member of the BoD and held the Managing Director and Chief Executive Officer positions at SSP. He was also Chairman of the Board of Directors of the Global Pipe Company (57% owned by SSP), was a member of the Board of Directors of Titanium and Steel Manufacturing Co. (100% owned by SSP), and was also a member of the Board of Directors of Tenaris Global Services (Switzerland) SA. He also served as Vice President of Tenaris Pipeline Service Vice President. Mr. Armengol has 27 years of experience in the Oil & Gas industry and, has held management roles in commercial and technical departments. He holds a Bachelor's Degree in Chemistry from Havana University and an Advanced Management Program degree from Harvard University.



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SSP Executive Management

(4 key positions)

Renwar Berzinji

Mr. Berzinji is a member of the BoD and holds the Managing Director and Chief Executive Officer positions at SSP. He is also Chairman of the Board of Directors of the Global Pipe Company (57% owned by SSP) and is a member of the Board of Directors of Titanium and Steel Manufacturing Co. (100% owned by SSP). He was also a member of the Board of Directors of Tenaris Saudi Arabia Ltd.

Mr. Berzinji previously held different commercial, operational, and planning positions in Tenaris managing international teams. He holds a Bachelor's of Mechanical Engineering from UT Austin and a Master's of Business Administration from Kellogg - Northwestern University.

Mohammed Anwar Alshakhouri

Mr. Alshakhouri serves as Chief Financial Officer of SSP. He has more than 16 years of cross-industry experience working for different multi-national companies in KSA in financial and accounting positions. He is also a board member and secretary of the BoD of the Global Pipe Company and secretary of the SSP Board.

Mr. Alshakhouri holds a Bachelor's in Accounting from King Fahad University of Petroleum & Minerals. He is also a Certified Public Accountant and a Certified Treasury Professional.

Matias Malik

Mr. Malik serves as the Commercial Senior Director for SSP. With over 16 years of experience in the energy sector's commercial and business development, he has successfully led teams in diverse and multicultural settings. Throughout his career, Matias has worked in nine different countries, gaining extensive expertise in commercial strategy, business development, pricing dynamics and contract establishment.

Mr. Malik holds a degree in industrial engineering from the Technological Institute of Buenos Aires.

Luis F. Moreno

Mr. Moreno serves as Operations Senior Director for SSP. Previously, he held the roles of Operations Director, Maintenance Manager, and Production Coordinator for Tenaris Saudi Arabia and Finishing Coordinator, Finishing Engineer, and Shift Leader for Tenaris TAVSA Venezuela.

He is a mechanical engineer with more than 17 years of industrial experience in the oil and energy industry, with a complete career in production and maintenance operations. He has held leading positions, and is skilled in communications, coaching, and development of teams.



Change in SSP's share ownership percentage of the Chairman, Board Members, Senior Executives, and their spouses and children

Description of any interest that belongs to BoD members or their spouses and children in the equity shares or debt instruments of the Group companies.

Name of Member	Beginning of the year		End of year		Percentage change	Net Change
	Number of shares	Debt instrument	Number of shares	Debt instrument		
Moahmmad A. Alshayea	-	-	-	-	-	-
Carlos Ferreyra	-	-	-	-	-	-
Francisco Zini	-	-	-	-	-	-
Mariano Armengol	-	-	-	-	-	-
Salman Ahmed Akbar	-	-	-	-	-	-
Youngwook Chang	-	-	-	-	-	-
Hoon Park	-	-	-	-	-	-
Majed Al-Dakheel	-	-	-	-	-	-
Yves Walid	-	-	-	-	-	-
Renwar Berzinji	-	-	-	-	-	-

Participation of SSP board members in other companies' boards

The table below shows the current and previous participation of SSP board members in other companies within or outside the KSA as board members or managers:

Names of companies in or outside the Kingdom in which a member of the BoD of SSP is a board member or manager

Name of Member	Current Board Member or Manager	Previous Board Member or Manager
<p>Mohammad A. Alshayea</p> <p>Independent</p>	<p>Inside the Kingdom:</p> <p>Saudi Gelatin and Capsules – Board Member.</p> <p>MBC Group – Audit Committee Member.</p> <p>Alarabiya – Audit Committee Member.</p> <p>Hedab Alkhaleej – Board Member and Chairman of the Audit Committee.</p> <p>The General Authority for Competition – Board Member and Member of the Audit Committee.</p> <p>KIDANA – Audit Committee Member.</p> <p>Amlak International Finance – Board Member, Member of Risk Committee and Chairman of the Audit Committee.</p> <p>Al Rabie Saudi Foods – Audit Committee Member.</p> <p>Riyadh Cement – Audit Committee Member.</p> <p>Ebtikarsoft – Chairman.</p> <p>Outside the Kingdom:</p> <p>None</p>	<p>Inside the Kingdom:</p> <p>HSBC Saudi Arabia – Board Member and Chairman of the Audit Committee.</p> <p>SABB Takaful – Chairman of the Board and Chairman of the Executive Committee.</p> <p>National Transformation Program Center – Audit Committee Member.</p> <p>Alessa Industries Company – Board Member and Chairman of the Audit Committee.</p> <p>NAJM for Insurance Services – Board Member.</p> <p>Saudi Ground Services – Board Member, Executive Committee Member and Chairman of Audit Committee.</p> <p>The Public Pension Fund – Board Member.</p> <p>Permanent Committee of Anti Money Laundering – Vice Chairman Training Committee within SAMA – Member and then Chairman of the Committee.</p> <p>The Accounting and Auditing Organization for the GCC – Board Member.</p> <p>The Saudi Organization for CPAs – Member of the Accounting Standards Committee.</p> <p>Outside the Kingdom:</p> <p>STUSID Bank – Board Member and Chairman of the Audit Committee. AML/CTF Topical Trust Fund established by IMF – Member of Steering Committee.</p>
<p>Youngwook Chang</p> <p>Independent</p>	<p>Inside the Kingdom:</p> <p>Zedan Group</p> <p>Outside the Kingdom:</p> <p>None</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>None</p>

Names of companies in or outside the Kingdom in which a member of the BoD of SSP is a board member or manager

Name of Member	Current Board Member or Manager	Previous Board Member or Manager
<p>Carlos Ferreyra</p> <p>Non-Executive</p>	<p>Inside the Kingdom:</p> <p>Global Pipe Company (57% owned by SSP).</p> <p>Titanium & Steel Manufacturing Company Ltd. (100% owned by SSP).</p> <p>Tenaris Saudi Arabia Co. Ltd.</p> <p>Outside the Kingdom:</p> <p>Tenaris Baogang Baotou Steel Pipes, Tenaris Global Services Australia PTY Ltd, Tenaris Etihad Tubulars - Sole Proprietorship L.L.C., Tenaris Global Services Far East Pte. Ltd., Hydril Private, Tenaris Qingdao Steel Pipes Ltd., Tenaris Global Services (Japan), Tenaris Global Services (Vietnam), Tenaris Global Services (Korea), Tenaris Global Services (Thailand), Tenaris Global Services SAE (Egypt)</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>Tenaris Global Services Nigeria Ltd.</p> <p>Pipe Coaters Nigeria Ltd. Amaja</p> <p>Tubulars Services Ltd (Ghana).</p>
<p>Salman Ahmed Akbar</p> <p>Independent</p>	<p>Inside the Kingdom:</p> <p>Yanal Finance Company – Independent Board Member and Member of Audit Committee and Member of Risk Committee.</p> <p>Outside the Kingdom:</p> <p>Tullet Liberty WLL –Director.</p>	<p>Inside the Kingdom:</p> <p>SABB Takaful Company – Independent Board Member Chairman Audit Committee.</p> <p>Al Istithmar Capital -Member Audit Committee.</p> <p>Medgulf Saudi Arabia - Member Audit Committee.</p> <p>Outside the Kingdom:</p> <p>Albaraka Bank Pakistan Limited – Member Board of Directors; Chairman of Risk Committee; Member of Executive Committee.</p> <p>Manara Equity Partners BSC(c)- Director.</p> <p>Manara Wartsila Power Limited- Director.</p> <p>Ansbacher Trust Company Limited - Director</p>

Names of companies in or outside the Kingdom in which a member of the BoD of SSP is a board member or manager

Name of Member	Current Board Member or Manager	Previous Board Member or Manager
<p>Hoon Park</p> <p>Non-Executive</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>Hu Steel Co., Ltd. (Republic of Korea)</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>None</p>
<p>Majed Al-Dakheel</p> <p>Independent</p>	<p>Inside the Kingdom:</p> <p>Board and Audit Committee member in Saudi Ceramic Company.</p> <p>Outside the Kingdom:</p> <p>None</p>	<p>Inside the Kingdom:</p> <p>SIMAH, The Saudi Credit Bureau.</p> <p>Outside the Kingdom:</p> <p>None</p>
<p>Yves Walid</p> <p>Non-Executive</p>	<p>Inside the Kingdom:</p> <p>Tenaris Saudi Arabia Co. Ltd</p> <p>Outside the Kingdom:</p> <p>None</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>None</p>
<p>Renwar Berzinji</p> <p>Non-Executive</p>	<p>Inside the Kingdom:</p> <p>Global Pipe Company (57% owned by SSP). Titanium & Steel Manufacturing Company Ltd (100% owned by SSP).</p> <p>Outside the Kingdom:</p> <p>None</p>	<p>Inside the Kingdom:</p> <p>Tenaris Saudi Arabia Co. Ltd</p> <p>Outside the Kingdom:</p> <p>None</p>
<p>Francesco Zini</p> <p>Executive</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>P.T. Seamless Pipe Indonesia Jaya</p>	<p>Inside the Kingdom:</p> <p>None</p> <p>Outside the Kingdom:</p> <p>None</p>



The table below shows the participation of SSP board members in boards of companies competing with or performing similar activities to those of SSP:

Name of Member	Company Name	Company activity
Carlos Ferreyra	Tenaris Saudi Arabia Co. Ltd.	<p>Board member of Tenaris Saudi Arabia Co. Ltd. which is within the group of Tenaris companies ("Tenaris Group").</p> <p>Tenaris Group is engaged in the manufacturing of ERW Pipes in Argentina, USA, Brazil, Canada, and Colombia</p>
Hoon Park	Hu Steel Korea Co.	<p>The board member is a board member of Hu Steel Korea Co. Ltd.</p> <p>Hu Steel Korea Ltd. manufactures ERW pipes in Korea.</p>
Yves Walid	Tenaris Saudi Arabia Co. Ltd.	Board mMember of Tenaris Saudi Arabia Co. Ltd., a company within the Tenaris Group.

Participation of SSP BoD Members in Board Meetings

During 2023, the BoD of SSP held four (4) board meetings.

Members who did not attend any of the meetings appointed another member to represent them in attendance and voting, and the following table shows the attendance at each board meeting:

Name of Member	Meeting # 103 20/02/2023	Meeting #104 03/05/2023	Meeting #105 03/08/2023	Meeting #106 15/11/2023	TOTAL
Mohammed Alshayea	●	●	●	●	4
Carlos Ferreyra	●	●	●	●	4
Hoon Park	●	●	●	●	4
Salman Ahmed Akbar	●	●	●	●	4
Maged Aldakheel	●	●	●	●	4
Renwar Berzinji	●	●	●	●	4
Youngwook Chang	●	●	●	●	4
Yves Walid	●	●	●	●	4
Mariano Armengol L. *	●	●	●	✘	3
Francisco Zini **					-
Total	9	9	9	8	

* Resigned effective November 15, 2023

** Appointed effective November 16, 2023

● attended

✘ did not attend

SSP BoD Committees

SSP BoD has formed two committees:

- The Audit Committee
- The Remuneration and Nominations Committee

The Audit Committee

The Audit Committee is composed of three members.

The members of the Audit Committee were elected in the 17th Ordinary General Assembly held on May 24, 2022. The term of the current Audit Committee members, runs from June 7, 2022, until June 6, 2025.

The functions and responsibilities of the Audit Committee include the following:

Financial Reporting

Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations to ensure integrity, fairness and transparency;

Providing its technical opinion, at the request of the Board, including on whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy;

Analyzing any important or unfamiliar issues

contained in the financial reports;

Accurately investigating any issues raised by the Company's Chief Financial Officer, any Persons performing their duties, the Company's compliance officer, or external auditor;

Examining the accounting estimates in respect to significant matters contained in the financial reports;

Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board.

Internal Audit

Examining and reviewing the Company's internal and financial control systems and risk management system;

Analyzing the internal audit reports and following up on the implementation of corrective measures in respect to the remarks made in such reports;

Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company, if any, to ensure the availability of the necessary resources and their

effectiveness in performing the assigned activities and duties.

Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remuneration.

External Auditor

Providing recommendations to the Board to nominate or dismiss external auditors, determine their remuneration, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts;

Verifying the independence of external auditors, and the objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards;

Reviewing the plan of the Company's external auditor and its activities, ensuring that it does not provide any technical or administrative works beyond its scope of work, and providing its opinion thereof;

Responding to queries from the Company's external auditor;

Reviewing the external auditor's reports and its comments on the financial statements and following up on the relevant procedures.

Ensure Compliance

Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;

Ensuring the Company's compliance with the relevant laws, regulations, policies, and instructions;

Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith;

Reporting to the Board any issues in connection with steps for action deemed necessary, and providing recommendations as to the steps that should be taken.



The Audit Committee is composed of the following members as of December 31st, 2023:

Salman Ahmed Akbar

Member of the BoD (Independent) and Chairman of the Committee

Majed Al-Dakheel

Member of the BoD and Audit Committee member (Independent)

Ruggero Signorelli

Audit Committee member

Mr. Ruggero Signorelli has 23 years of experience with around 19 years in the tubular industry. He is currently Administration and Finance Senior Manager for the North Sea and Africa at Tenaris Global Services Switzerland SA. He holds a Bachelor's in Business Economics from Università Cattolica del Sacro Cuore in Milan, Italy.



The Audit Committee held eight (8) meetings during the year 2023.

Dates and attendance is shown in the following table:

Name of Member	Meeting # 63 30/01/2023	Meeting # 64 12/02/2023	Meeting # 65 24/04/2023	Meeting # 66 30/07/2023	Meeting # 67 02/08/2023	Meeting #68 28/10/2023	Meeting # 69 27/11/2023	Meeting # 70 22/12/2023	TOTAL
Salman Ahmed Akbar	●	●	●	●	●	●	●	●	8
Maged Aldakheel	●	●	●	●	●	●	×	●	7
Roggero Signorelli	●	●	●	●	●	×	●	●	7

● attended
 × did not attend

The Remuneration and Nominations Committee:

The Remuneration and Nominations Committee (RNC) is composed of three members.

On June 6, 2023, the BoD accepted the resignation of Mr. Renwar Berzinji as Remuneration and Nomination Committee (RNC) member, which was effective as of the resolution's date. On August 3, 2023, the BoD approved the appointment of Mr. Yves Walid as RNC member based on the RNC's recommendation, Mr. Walid will complete the remaining period of the term of his predecessor at the RNC Member (6 June, 2025). The term of the current Committee members runs from June 7, 2022, until June 6, 2025.

The functions and responsibilities of the RNC include:

Remuneration

- Preparing a clear policy for the remuneration of the Board members, committees, and Executive Management; presenting the policy to the Board in preparation for approval by the General Assembly, provided that the policy follows standards that link remuneration to performance; disclosing and ensuring the implementation of the policy; clarifying the relationship between rewards given and the applicable remuneration policy; and indicating any fundamental deviation from the policy. Clarifying the relation between the paid remuneration and the adopted remuneration policy, and highlighting any material deviation from that policy.
- Clarifying the relation between remuneration paid and adopted remuneration policies, and highlighting any material deviation from policy.
- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives; and
- Providing recommendations to the Board in respect to the remuneration of its members, the committees' members, and Senior Executives, in accordance with the approved policy.

Nominations

- Suggesting clear policies and standards for membership of the Board and the Executive Management;
- Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions;
- Determining the amount of time that the member shall allocate to the activities of the Board;
- Annually reviewing the skills and expertise required of the Board members and the Executive Management;
- Reviewing the structure of the Board and Executive Management and providing recommendations regarding changes that may be made to such structures;
- Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another company;
- Providing job descriptions for the Executive, Non-Executive, and Independent Directors and the Executive Management;
- Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant;
- Determining the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.

The RNC is composed of the following members as of December 31st, 2023:

Youngwook Chang

Member of the BOD (Independent) – Chairman of RNC

Yves Walid

Member of the BoD and RNC member (Non-Executive)

Almohanned Alshathre

RNC member



The RNC held four (4) meetings during the year 2023 as shown in the following table:

Dates and attendance are shown in the following table:

Name of Member	Meeting#23 16-Feb-2023	Meeting#24 13-Apr-2023	Meeting#25 26-Jul-2023	Meeting#26 26-Sep-2023	TOTAL
Youngwook Chang	●	●	●	●	4
Almohanned Alshathre	●	●	●	●	4
Renwar Berzinji*	●	●	✗	✗	2
Yves Walid**	✗	✗	✗	●	1
Total	3	3	2	3	

* Resigned June 20, 2023
 ** Appointed August 3, 2023

● attended
 ✗ did not attend

In addition, the RNC held six (6) extraordinary meetings during the year 2023 as shown the following table:

Name of Member	17-Apr-2023	2-May-2023	23-May-2023	20-Jun-2023	8-Nov-2023	26-Dec-2023	TOTAL
Youngwook Chang	●	●	●	●	●	●	6
Almohanned Alshathre	●	●	●	●	●	●	6
Renwar Berzinji*	●	●	●	●	✘	✘	4
Yves Walid**	✘	✘	✘	✘	●	●	2
Total	3	3	3	3	3	3	

* Resigned June 20, 2023
 ** Appointed August 3, 2023

● attended
 ✘ did not attend



Remuneration and Compensation for SSP BoD Members and Senior Executives

According to the SSP bylaws, annual remuneration of BoD members (including the Chairman), and which may consist of rewards and/or financial and non- financial benefits, shall not exceed 500 thousand SAR per member, and shall be within the limits stipulated by the applicable laws, including the Companies Regulations. The entitlement to such remuneration shall be proportionate to the number of meetings attended by each member.

As per the Remuneration Policy for Members of the BoD and Executive Management approved by the General Assembly on December 27 , 2017, and, effective January 1, 2018:

Each BoD member shall be granted a fixed remuneration of **SR 200,000 per year**, provided that the member attends no less than 75% of the total number of meetings held in the period. This is proportionately calculated if the attendance rate is lower.

An attendance allowance of **SR 3,000** will be paid to each member per attended meeting of the BoD and committee meetings.

Committee members shall be granted an annual remuneration of **SR 50,000** per committee, provided that members attend no less than 75% of the total number of meetings held in the period. This is proportionately calculated if the attendance rate is lower.

The Chairman of the Audit Committee shall be granted an annual remuneration of **SR 100,000**, provided that he attends no less than 75% of the total number of meetings. This is, and proportionately calculated if his the attendance is rate is lower.



Board Members' Remuneration

The following are the details of remuneration and compensation for Board Members and Senior Executives:

Name of Member	Fixed Compensation						Total
	Specified amount	Board attendance allowance	Committee attendance allowance	In-kind benefits	Amounts received by board member for being a worker or , manager or for technical, administrative or consultancy services	Compensations for the chairman, managing director or secretary if he is a member	
First: Independent Members							
Mohammed Alshayea	200,000	12,000	-	-	-	-	212,000
Salman Ahmed Akbar	200,000	12,000	124,000	-	-	-	336,000
Youngwook Chang	200,000	12,000	80,000	-	-	-	292,000
Maged Aldakheel	200,000	12,000	71,000	-	-	-	283,000
Total	800,000	48,000	275,000	-	-	-	1,123,000
Second: Non Executive Members							
Carlos Andres Ferreyra	200,000	12,000	-	-	-	6,648	218,648
Hoon Park	200,000	12,000	-	-	-	-	212,000
Mariano Armengol L.*	174,725	9,000	-	-	348,914	-	532,639
Yves Walid	200,000	12,000	29,604	-	-	-	241,604
Francisco Zini **	-	-	-	-	-	-	-
Total	774,725	45,000	29,604	-	348,914	6,648	1,204,892
Third: Executive Members							
Renwar Berzinji***	200,000	12,000	41,214	-	1,107,726	-	1,360,940
Total	1,774,725	105,000	345,818	-	1,456,640	6,648	3,688,832

* Resigned from the CEO and Managing Director position effective June 30, 2023. Resigned from the Board effective November 15, 2023.

** Appointed effective November 16, 2023.

*** Appointed CEO and Managing Director effective July 1, 2023

Variable Compensation

Share of profit	Periodic compensations	Short-term incentive plans	Long-term incentive plans	Value of granted shares	Total	End of service benefit	Grand Total
-	-	-	-	-	-	-	212,000
-	-	-	-	-	-	-	336,000
-	-	-	-	-	-	-	292,000
-	-	-	-	-	-	-	283,000
-	-	-	-	-	-	-	1,123,000
-	-	-	-	-	-	-	218,648
-	-	-	-	-	-	-	212,000
-	-	-	-	-	-	-	532,639
-	-	-	-	-	-	-	241,604
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,204,892
-	-	-	-	-	-	-	1,360,940
-	-	-	-	-	-	-	3,688,832

Committee Members Remuneration

Name of Member	Fixed Compensation (SAR)	Attendance Allowance (SAR)	Total (SAR)
The Audit Committee Members			
Salman Ahmed Akbar (Committee Chairman)	100,000	24,000	124,000
Majed Mohammed Al-Dakheel	50,000	21,000	71,000
Ruggero Signorelli	50,000	21,000	71,000
Total	200,000	66,000	266,000
The Remuneration and Nomination Committee Members			
Youngwook Chang (Committee Chairman)	50,000	30,000	80,000
Yves Walid*	20,604	9,000	29,604
Rawar Berzinji**	23,214	18,000	41,214
Almohanned Alshathre	50,000	30,000	80,000
Total	143,818	87,000	230,818

*Committee member term started August 3, 2023

**Committee member term ended June 20, 2023



Group Senior Executive Compensation

Senior Executives*	
Fixed Compensations (SAR)	All amount in SAR
Salaries	2,732,739
Allowances and others	748,441
In-kind benefits (non-cash)	-
Total	3,481,180
Variable Compensation (SAR)	
Periodic compensation	1,054,727
Profit	-
Short- term incentive plans	-
Long-term incentive plans	-
Value of granted shares	-
Total	1,054,727
End of service benefit	175,179
Total executive remuneration from the board, if any	212,000
Grand Total	4,923,086

(*) Senior Executives include: the Managing Director and Chief Executive Officer, Chief Financial Officer, Operations Senior Director and Commercial Senior Director. Pursuant to the Capital Market Authority Board Resolution Number 1-35-2018 Dated 9/7/1439H corresponding to 26/3/2018G, the remunerations of senior executives mentioned in subparagraph (b) of paragraph (4) of Article 90 of the CGR is to be disclosed collectively.

According to the Remuneration Policy for Members of the BoD and Executive Management, remuneration of the Company's top executives is essential to ensure the high qualifications of the executive team, succession planning, and recruitment success.

The annual remuneration of Executive Management aims at granting a balanced compensation package which may consist of fixed remuneration, performance-related remuneration, and remuneration in the form of stocks as determined by the BoD upon recommendation by the RNC.

The fixed remuneration is determined by considering the job level, education qualifications, experience, skills, and seniority of the executive, as well as the duties and responsibilities of the position. Remuneration aims to create the required competitiveness to recruit and keep qualified and efficient employees and maintain the high level of skills the Company needs. Due consideration of market conditions and peer companies' practices is given to avoid unjustifiable increases in remuneration and compensation.

In-kind benefits are also included in Executive Management remuneration. Besides medical insurance, benefits are primarily housing-related allowances or the equivalent, and transportation-related allowances or the equivalent. End-of-service benefits represent an annual incremental value beyond the end-of-service severance provisions, which are paid post-employment.

The variable remuneration is market-aligned and subject to the fulfilment of predefined performance indicators. Key performance indicators include short-term and long-term objectives, profitability indicators, solvency, liquidity, growth, and achievement of objectives. This aims to encourage the Executive Management to promote the Company's success and long-term development.

Executive Management remuneration has been consistent with the Remuneration Policy of SSP.



Transactions with Related Parties

During 2023, the Company sold pipes and provided services to the following parties through purchase orders and contracts at the regular market price without any discrimination or reduction:

Party	Member of the BoD	Nature of transaction	Contract duration	SAR
Tenaris Saudi Arabia Limited ("TESA") *	Carlos Andres Ferreyra Yves Walid Renwar Berzinji	Service Agreement	5 years	3,702,524
Tenaris Global Services Uruguay *	-	Sales	5 years	234,912,996
Tenaris Saudi Arabia Limited ("TESA") **	Carlos Andres Ferreyra Yves Walid Renwar Berzinji	Services	2023	3,180,706

(*) All these services were arm's length sales under agreements approved by the shareholders in the 14th and 17th Ordinary General Assemblies held on May 7, 2019, and May 24, 2022, respectively, as announced on Tadawul's website. All agreements may be terminated by SSP by written notice to Tenaris.

(**) These sales and services are related to arm's length orders after conducting a properly documented tender process.

The company also made purchases and received services through purchase orders and contracts with the following parties:

Party	Member of the BoD	Nature of transaction	Contract duration	SAR
Dalmine S.P.A. *	-	Technical services	5 years	64,703
Dalmine S.P.A. *	-	Services	Renewable annually	1,147
Exiros Saudi Arabia Limited *	-	Procurement Services	5 years	2,816,227
Siderca S.A.I.C. *	-	IT Services	Renewable annually	29,857
Tenaris Global Services Uruguay ** -	-	Purchase	5 years / 2023	7,249,374
Hu Steel Company Ltd.	Hoon Park	Services	Renewable annually	138,976
Siderca S.A.I.C. *	-	Services	5 years	205
Testing and Technical Solutions	-	Services	5 years	205

(*) All these services were arm's length sales under agreements approved by the shareholders in the 14th and 17th Ordinary General Assemblies held on May 7, 2019, and May 24, 2022, respectively, as announced on Tadawul's website. All agreements may be terminated by SSP by written notice to Tenaris.

(**) These purchases are related to materials used in production. The arm's length orders were placed after conducting a properly documented tender process.

General Assembly (2023)

Date of the SSP General Assembly of the Shareholders held during 2023 and names of BoD members who attended

General Assembly	Date	Member of the Board of Directors
18th Annual General Assembly	20 June 2023	Mohammad Alshayea Mariano Armengol Carlos Ferreyra Renwar Berzinji Salman Ahmed Akbar Youngwook Chang Maged Aldakheel Yves Walid

Request for Shareholder Register (2023)

Statement on the Company's request for the shareholder register during the fiscal year 2023

Reasons for Request	Date of request	Number of company request for shareholders register
Company procedure	January 23, 2023	1
Other	May 28, 2023	2
Other	July 17, 2023	3
Other	September 30, 2023	4-12
Other	January 31, 2024	13
Other	March 6, 2024	14-17





03

Financial & Other Information

Financial Results

The following analysis of our financial condition and results of operations are based on, and should be read in conjunction with, our audited consolidated financial statements and the related notes.

We prepare our consolidated financial statements in conformity with IFRS.

Profitability

P&L MILLION SAR	2023*	2022	2021	2020	2019
Net Sales	1,335	748	373	475	583
Gross Margin	283	107	27	19	22
Operative income (loss)	225	70	(5)	(33)	(20)
Profit / (loss) from Continuing Operation	217	55	(18)	(33)	(5)
(Loss) /Profit from Continuing Operation	(0)	(1)	19	(1)	(22)
Net Results	217	54	1	(34)	(27)
Net Results Attributable to the Shareholders of the Company	173	54	2	(34)	(27)
EBITDA**	282	112	40	10	24
Adjusted EBITDA**	284	113	45	30	26

(*) includes the post-acquisition consolidated results of GPC from May 17, 2023.

(**) EBITDA represents earnings before interest, tax, depreciation and amortization. Adjusted EBITDA excludes non-recurrent charges.



Net Sales increased by 79% to 1,335 million SAR in 2023 from 748 million SAR in 2022, as a result of the increase in volume mainly due to consolidating the post-acquisition results of GPC after SSP increased its total ownership interest in GPC to 57.27%.

Gross Margin increased by 164% to 283 million SAR in 2023 from 107 million SAR in 2022, mainly due to the higher sales volume, better mix of products sold, and improved efficiencies.

Operative Profit amounting to 225 million SAR in 2023, compared to 70 million SAR in 2022, mainly driven by the significant improvement in gross margin as explained above, and partially offset by higher operating expenses primarily as a result of consolidating the post-acquisition results of GPC.

Profit from Continuing Operations amounting to 217 million SAR in 2023, compared to 55 million SAR in 2022, mainly driven by the significant improvement in operative profit as explained above, the recognition of a bargain purchase gain amounting to 40 million SAR. This was partially offset by the increase in interest expense to 37 million SAR in 2023 from 14 million SAR in 2022 and the recording of a loss on de-recognition of previously-held equity interest in an associate amounting to 10 million SAR in 2023.

Net Profit amounting to 217 million SAR in 2023, compared to 54 million SAR in 2022, mainly due to the significant improvement in profit from continuing operations as explained above.

EBITDA is an approximation of pre-tax operating cash flow and reflects cash generation from the operation before working capital variation. SSP recorded a positive EBITDA of 282 million SAR with a 21% margin, compared to a positive EBITDA of 112 million SAR with a 15% margin in 2022, mainly due to the significant improvement in operative profit as explained above.

2023

2022

Increased 79%

1,335 million SAR

748 million SAR

Increased by **164%**

283 million SAR

107 million SAR

Operative Profit of

225 million SAR

Operative Profit of

70 million SAR

Profit from continuing operations

217 million SAR

Profit from continuing operations

55 million SAR

Net Profit of

217 Million SAR

Net Profit of

54 million SAR

21% Margin

282 million SAR

15% Margin

112 million SAR

Cash Flow

Cash Flow	2023* MILLION SAR	2022	2021	2020	2019
Net Cash provided by (used in) operating activities	315	(12)	62	47	49
Capital expenditures	(8)	(2)	(7)	(16)	(6)
Free Cash Flow	308	(14)	55	31	43

(*) includes the post-acquisition consolidated results of GPC from May 17, 2023.

Cash Flow generated by operating activities amounted to 315 million SAR in 2023, compared to cash flow used in operating activities amounting to (12) million SAR in 2022, mainly driven by improved profitability and the decrease in working capital as a result of effective working capital management.

Our Capital Expenditures increased by 6 million SAR in 2023 to (8) million SAR from (2) million SAR in 2022.

Free Cash Flow (FCF) is a measure of financial performance, calculated as operating cash flow less Capital Expenditures. FCF represents the cash that a company is able to generate after spending the money required to maintain or expand its asset base.

SSP recorded a positive free cash flow of SR 308 million in 2023 compared to a negative free cash flow of (14) million in 2022, mainly driven by the cash flow generated by operating activities partially offset by the increase in Capital Expenditures.

2023

Generated by operating activities

315 million SAR

Increased by 6 million

8 million SAR

Positive

308 million SAR

2022

Used in operating activities

(12) million SAR

2 million SAR

Negative

(14) million SAR



Financial Position

Financial Position Data	2023* MILLION SAR	2022	2021	2020	2019
Current Assets	964	448	349	427	413
Non-Current Assets	1,080	590	623	683	706
Total Assets	2,044	1,038	972	1,110	1,119
Current Liabilities	542	200	185	179	210
Short-Term Loans	205	66	157	258	180
Long-Term Loan, current portion	181	58	26	30	47
Long-Terms Loans	142	99	44	79	60
Other Non-Current Liabilities	80	64	65	72	93
Total Liabilities	1,150	488	477	617	591
Equity	894	551	495	493	528
Net Debts	319	144	128	217	248
Gearing Ratio	2.8	3.8	3.9	2.3	2.1

(*) Consolidate the financial position of GPC

Net Debt increased to SAR 319 million in 2023 compared to SAR 144 million in 2022, as a result of consolidating the financial position of GPC.

The Group maintains a solid solvency structure and is well capitalized.

Gearing Ratio (Equity / Net Debt): Gearing ratio decreased to 2.8x as at the end of 2023 compared to 3.8x as at the end of 2022.



Borrowings

The movement in the Group's borrowings during 2023 is shown below:

Lending party	Original loan amount	Beginning balance	Acquired in business combination	Additions	Repayment	Financial charges accrued (paid) & others, net	Ending balance	Period
Million SAR								
Saudi Industrial Development Fund (SIDF) - I	185	45	-	-	(30)	0	15	4-8 Years
Saudi Industrial Development Fund (SIDF) - II	75	74	-	-	(19)	2	57	2 Year
Saudi Industrial Development Fund (SIDF) - III	-	-	96	-	(38)	0	58	2 Years
The Saudi Investment Bank (SAIB)	45	39	-	-	(11)	0	28	4 Years
Commercial Banks	-	66	364	1,055	(1,117)	2	370	6-12 Months
Total	-	223	460	1,055	(1,215)	4	528	

These borrowing facility agreements are subject to certain financial and non-financial covenants. GPC obtained a waiver for one of the covenants related to SIDF III loan. The term loans pertaining to GPC are secured by promissory notes, mortgage of GPC's plants and equipment, and personal guarantees from GPC shareholders.



Treasury Shares

As of January 1 and December 31

2023

16.6 million SAR

2022

11.5 million SAR

The treasury shares held by the Company represent 2.26% of the share capital. Their market value amounts to 16.6 million SAR as of December 31, 2023 (2022: 11.5 million). These shares were initially acquired from shares offered to the public for an employee share program.

Profit Distribution Policy

The Company aims to distribute an annual dividend to enhance the value of the return to shareholders commensurate with the Company's earnings, financial position, market conditions, general economic climate, and other factors including analysis of investment opportunities, re-investment requirements, cash needs, capital expenditure needs, business activities level, and legal and regulatory considerations.

The dividend shall be distributed in Saudi Riyals in accordance with the following policy as stated in the Company's bylaws:

01.

The distribution of the annual net profits of the Company after deducting all general expenses and other costs as follows (as applicable);

03.

The Ordinary General Assembly, based on the proposal of the Board of Directors, may decide to apply an amount not exceeding (20%) of the net profits to form a reserve for designated purposes.

05.

A percentage representing (5%) of the Company's paid-up capital shall be distributed to the shareholders from the remainder.

02.

Transfer (10%) of the net profit to the statutory reserve, with the understanding that the Ordinary General Assembly may decide to stop these transfers once the statutory reserve reaches (30%) of the paid-up capital;

04.

The Ordinary General Assembly may elect to form other reserves, to the extent that this achieves the interests of the Company or ensures the distribution of steady profits as much as possible to shareholders. The Ordinary General Assembly may also deduct sums from net profits for the establishment of social institutions for employees of the Company or to assist existing institutions.

06.

The Ordinary General Assembly may, by proposal of the Board of Directors, elect to distribute the remainder to shareholders as an additional share in the profits.

Statement	2023	2022	2021	2020	2019
Net profit (Million SAR)	217	54	1	(34)	(27)
Dividends distributed (Million SAR)	-	-	-	-	-
Number of shares (Million Shares)	51	51	51	51	51
Earnings per share (SAR/share)	3.42	1.07	0.02	-	-

Statutory Payments/Dues

The following is a statement on SSP statutory payments/dues as of December 31, 2023:

Statement	Zakat and Income Tax	General Organization for Social Insurance
Paid	13,330,519	6,546,329
Due /accrued at the end of the annual financial period and not paid	20,034,533	685,863
Description	Zakat and income tax provision	Dec. 2023
Reasons	To be paid in Apr. 2024	To be paid in Jan. 2024

Sanctions and Penalties

No sanctions or penalties were imposed on SSP during the year 2023.

Social Contribution



The following table shows the amount of the contributions made during the last five years:

Type of contribution	2023	2022	2021	2020	2019
Financial (SAR)	165,000	-	-	90,000	179,952
In-kind	-	-	-	-	-
Total	165,000	-	-	90,000	179,952

Compliance with the Accounting Standards of the Saudi Organization for Certified Public Accountants

SSP's financial statements were prepared during the fiscal year that ended December 31, 2023, in accordance with International Financial Reporting Standards as endorsed in KSA.



Representations

01.

The accounting records have been correctly prepared.

02.

The Internal Control System has been prepared on a sound basis and effectively implemented.

03.

There is no doubt about the ability of the source to continue its activity.

