MISR NATIONAL STEEL COMPANY "ATAQA"

(AN EGYPTIAN JOINT STOCK COMPANY)

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED ON
31 March 2026

AND LIMITED REVIEW REPORT

MISR NATIONAL STEEL COMPANY "ATAQA" – S,A,E

(AN EGYPTIAN JOINT STOCK COMPANY)
Financial statements
For the period ended 31 March 2026

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ZARROUK, SALAWI & CO.

PUBLIC ACCOUNTANTS & ADVISORS

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REPORT ON LIMITED REVIEW OF INTERIM FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
MISR NATIONAL STEEL COMPANY "ATAQA" (S,A,E)

Introduction

We have performed a limited review for the company statement of financial position of Misr National Steel Company – S,A,E,, on 31 March 2026 and the related statements of income, comprehensive income ,changes in equity and cash flows for the Three months ending on that date , and a summary of significant accounting policies and other explanatory notes, Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards, Our responsibility is to express a conclusion on these interim financial statements based on our limited review,

Scope of Limited Examination

We conducted our limited review in accordance with Egyptian Standards on Review Engagements No,2410,"limited examination of the period financial statements of the establishment and performed by it's public accountant " A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures, A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Accordingly, we do not express an audit opinion on these interim financial statements,

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company on 31 March 2026, and of its financial performance and its cash flows for the Three months ending on that date in accordance with Egyptian Accounting Standards.

Auditor

Zarrouk, Salawi & Co. Public Accountants & Tax Advisors

Medhat Mahmoud El Salawi
Fellow of the Egyptian Society of Accountants and Auditors
R,A,A, 3554
F,R,A 25
Zarrouk, El Salawi & Co,

Cairo, 21 MAY 2026

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

STATEMENT OF FINANCIAL POSITION

31 March 2026

ASSETS	Notes	31/3/2026	31/12/2025
NON - CURRENT ASSETS			
Fixed assets – (NET)	3	79,623,089	81,613,144
Constructions in progress	4	12,097,470	13,507,234
Fair Value Financial investment from other comprehensive income	5	49,369	49,369
Total non - current assets		**91,769,928**	**95,169,747**
CURRENT ASSETS			
Financial investment at fair value from profit or losses	6	41,173,624	49,897,214
Inventory - (NET)	7	541,054,295	629,723,553
Trade & Notes receivables - (NET)	8	1,644,142,554	962,120,765
Due from related parties	9/A	177,692,560	157,391,556
Debtors & other debit balances – (NET)	10	482,739,897	428,485,584
Investment in treasury bills	11	622,362,550	509,229,174
Checks under collection		19,517,301	27,050,000
Cash and cash equivalents	12	579,279,215	1,294,563,216
Total current assets		**4,107,961,996**	**4,058,461,062**
Total assets		**4,199,731,924**	**4,153,630,809**
EQUITY AND LIABILITIES			
EQUITY			
Issued and Paid-up capital	13	600,000,000	600,000,000
Legal reserve	14	144,096,869	142,559,448
Capital Reserve	15	8,562,369	7,092,758
Retained earnings		1,620,007,363	1,592,265,979
Net profit for the period / year		12,045,045	30,748,416
Total equity		**2,384,711,646**	**2,372,666,601**
NON-CURRENT LIABILITIES			
Deferred tax-liabilities	16	2,425,614	2,635,138
Total non-current liabilities		**2,425,614**	**2,635,138**
CURRENT LIABILITIES			
Provisions	17	124,690,792	131,100,385
Credit Facilities of bank	18	356,059,231	1,057,099,508
Suppliers	19	694,567,166	25,884,632
Due to related parties	9/B	202,044,970	236,026,179
Creditors & other credit balances	20	393,868,274	286,854,135
Accrued income tax	21	41,364,231	41,364,231
Total current liabilities		**1,812,594,664**	**1,778,329,070**
TOTAL EQUITY AND LIABILITIES		**4,199,731,924**	**4,153,630,809**

The Limited review report is attached,
The accompanying notes are integral part of financial statements,

Financial Manager	Vice chairman and managing Director	Chairman
Mr/ Sherif Samy	Mr/ Mohamad Gamal Abdel Qader	Mr/ Gamal Abdel Qader Abdel Basir
S. Samy		

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

STATEMENT OF INCOME (PROFIT/LOSSE)

For the period ended 31 March 2026

	Notes	*1/1/2026 to 31/3/2026*	*1/1/2025 to 31/3/2025*
Sales	22	1,217,074,936	2,020,905,133
Cost of sales (NET)	23	(1,128,460,711)	(1,895,725,183)
Gross profit		**88,614,225**	**125,179,950**
Selling & Distribution expenses	24	(12,412,854)	(19,502,470)
General & administrative expenses	25	(30,838,919)	(37,495,407)
Salaries and allowance of member of the board directors' remunerations		(1,644,088)	(1,614,798)
Operating Profit		**43,718,364**	**66,567,275**
Added/(depressed)			
Other revenue		564,400	1,584,930
Credit interest	26	17,366,046	17,704,016
Investment interest	27	28,313,199	414,793,263
Refundable provision		6,409,593	-
Debit interest		(24,272,417)	(125,938,774)
Provision formed		-	(1,821,519)
Investments at fair value net change		(635,438)	(228,219,189)
Capital gains		-	190,633
Realized foreign exchange differences		(59,628,226)	495,037
Net profit for the period before income tax		**11,835,521**	**145,355,672**
Added (Depressed)			
Deferred tax		209,524	61,308
income tax		-	(41,421,735)
Net profit for the period after Taxes		**12,045,045**	**103,995,245**
Earning per share (L.E/share)	28	**0.010**	**0.087**

The accompanying notes are considered an integrated part of financial statements,

Financial Manager Mr/ Sherif Samy	Vice chairman and managing Director Mr/ Mohamad Gamal Abdel Qader	Chairman Mr/ Gamal Abdel Qader Abdel Basir
S. Samy		

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the period ended 31 March 2026

	1/1/2026 to 31/3/2026	*1/1/2025 to 31/3/2025*
Net profit for the period after Taxes	12,045,045	103,995,245
Unrealized foreign exchanged difference (loss)	-	-
Total comprehensive income for the period	**12,045,045**	**103,995,245**

The accompanying notes are considered an integrated part of financial statements,

Financial Manager	Vice chairman and managing Director	Chairman
Mr/ Sherif Samy	Mr/ Mohamad Gamal Abdel Qader	Mr/ Gamal Abdel Qader Abdel Basir
S. Samy		

in Egyptian pound evaluate

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2026

	Issued and Paid-up capital	*Capital reserve*	*Legal reserve*	*Retained earning*	*Net profit for the period*	*Total*
Balance at 1 January 2025	600,000,000	6,536,255	113,672,126	1,043,963,368	577,746,438	2,341,918,187
Transferred to retained earnings	-	-	-	577,746,438	(577,746,438)	-
Transferred to Capital Reserve	-	-	-	-	-	-
Transferred to Legal reserve	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	-
Net profit for the period	-	-	-	-	103,995,245	103,995,245
Balance at 31 March 2025	**600,000,000**	**6,536,255**	**113,672,126**	**1,621,709,806**	**103,995,245**	**2,445,913,432**
Balance at 1 January 2026	600,000,000	7,092,758	142,559,448	1,592,265,979	30,748,416	2,372,666,601
Transferred to retained earnings	-	-	-	30,748,416	(30,748,416)	-
Transferred to Capital Reserve	-	1,469,611	-	(1,537,421)	-	-
Transferred to Legal reserve	-	-	1,537,421	(1,469,611)	-	-
Dividends distribution	-	-	-	-	-	-
Net profit for the period	-	-	-	-	12,045,045	12,045,045
Balance at 31 March 2026	**600,000,000**	**8,562,369**	**144,096,869**	**1,620,007,363**	**12,045,045**	**2,384,711,646**

The accompanying notes are considered an integrated part of financial statements,

Financial Manager	Vice chairman and managing Director	Chairman
Mr/ Sherif Samy	Mr/ Mohamad Gamal Abdel Qader	Mr/ Gamal Abdel Qader Abdel Basir
S. samy		

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

STATEMENT OF CASH FLOWS

For the period ended 31 March 2026

	Notes	1/1/2026 to 31/3/2026	1/1/2025 to 31/3/2025
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit for the period before income tax		**11,835,521**	**145,355,672**
Adjustments:			
Depreciation expense		3,464,001	2,654,250
Investment interest in treasury bills		(28,130,986)	-
Investment interest in mutual fund		(182,213)	(878)
Debit Interest		24,272,417	125,938,774
Credit Interest		(17,366,046)	(17,704,016)
The Difference in the fair value of investment listed on the stock change		635,438	228,219,189
Formed Provision		-	1,821,519
Refundable provision		(6,409,593)	-
Profit from selling investments		-	(413,642,306)
Profit from Stock Dividends		-	(1,150,079)
Capital gains		-	(190,633)
		(11,881,461)	**71,301,492**
Changes in:			
Inventory		88,669,258	535,169,275
Trade & notes receivable		(682,021,789)	(1,312,227,716)
Cheque under collection		7,532,699	101,835,218
Debtors & other debit balances		(54.254.313)	(295,926,397)
Due from related parties		(20,301,004)	(143,271,417)
Supplier		668,682,534	27,819,285
Creditors & other credit balance		107,014,139	727,007,771
Due to related parties		(33,981,209)	177,577,057
Deposited and letter of guarantee more than 3 month	12	(68,808,218)	(815,040)
Paid income tax		-	(41,421,735)
Net cash flows generated from / (used in) operating activities		**650,636**	**(152,952,207)**
CASH FLOW FROM INVESTING ACTIVITIES			
(Payments) to purchase of fixed assets		(63,382)	(10,880)
Receipts from sale of fixed assets		-	190,652
(Payments) for Acquisition of Construction in Progress Projects		(800)	-
(Payments) to purchase treasury bills		(85,002,390)	-
Receipts from mutual fund		8,628,318	878
(Payments) in mutual fund		(357,953)	(878)
Receipts in investments listed on stock change		-	1,409,452,342
(payments) in investments listed on stock change		-	(27,275,991)
Credit Interests		17,366,046	17,704,016
Net cash flows (used in) / generated from investing activities		**(59,430,161)**	**1,400,060,139**
FINANCING ACTIVITIES			
Debit Interests		(24,272,417)	(125,938,774)
Credit Facilities Bank		(701,040,277)	(220,659,559)
Net cash flows (used in) financing activities		**(725,312,694)**	**(346,598,333)**
Change in cash and cash equivalents during the period		**(784,092,219)**	**900,509,599**
Cash and cash equivalents at beginning of the period		**1,294,563,216**	**152,903,734**
Cash and cash equivalents at the end of the period	12	**510,470,997**	**1,053,413,333**

The accompanying notes are considered an integrated part of financial statements,

Financial Manager	Vice chairman and managing Director	Chairman
Mr/ Sherif Samy	Mr/ Mohamad Gamal Abdel Qader	Mr/ Gamal Abdel Qader Abdel Basir
S. Samy	محمد جمال	

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

1 – Company background

The company was established in the name of El-Attal National Steel Company "Egyptian Joint Stock Company" based on Ministerial Resolution No, 1003 of 1998, as an Egyptian joint stock company in accordance with the provisions of the Investment Guarantees and Incentives Law No, 8 of 1997 and Law No, 95 of 1992, according to the decision of the Companies Establishment Committee of the General Authority for the Capital Market in a session No, 27, held on January 8, 1995, and the company was registered in the Commercial Register No, 33018 on May 31, 1998, and on July 7, 2005, the name of the company was amended to become Misr National Steel "Ataqa" and the Egyptian Steel Company "Holding Company" submitted all documents and procedures required for offering 10% of the shares of Misr National Steel Company "Ataqa" in the Egyptian Stock Exchange, On January 16, 2014, the Egyptian Stock Exchange announced the implementation of the offering on the shares of Misr National Steel Company "Ataqa", The offering was executed on 3,000,016 shares at a price of 19,40 Egyptian pounds per share ,

The Company's purpose

Rolling and shaping of reinforcing steel, purchasing, pressing and cutting scrap,

Company headquarters:

34 Damascus Street - Off Syria Street - Mohandessin - Giza

Factory headquarters:

Plot No, (1) Extensions of the new industrial zone - Ataka - Suez

Company term:

25 years from May 30, 1998 to May 29, 2023, The Board of Directors of the company held a meeting on 11/5/2023 and approved the invitation of the Extraordinary General Assembly to renew the term of the company for another 25 years, starting from 5/30/2023, The General Assembly was convened extraordinary meeting on 6/7/2023 and agreed to extend the term of the company Another term ends on 5/28/2048,it has been registered in the commercial registry .

Approval of the financial statements

The company's financial statements for the financial period ending on 31 march 2026 were approved in accordance with the decision of the Board of Directors held on , 20 may 2026

2. Basis of Financial Statements Preparation & summary of significant accounting policies

2.1 Basis of Preparation of financial statements

A- Adherence to accounting standards and laws

The financial statements have been prepared in accordance with Egyptian accounting standards and in the light of prevailed Egyptian laws and regulations.

The accounting policies applicable in this year are acceptable with the policies which applied in the previous year without new accounting policies estimates .

B- Measurement basis

The financial statements have been prepared under the historical cost basis and with the continuous concept except fair value investment through statement of profit or loss .

C- Functional and presentation currency

The currency used in the presentation of financial statements is the Egyptian pound, which represents the functional currency of the company.

D- Use of estimates and judgement

- The preparation of financial statements in accordance with Egyptian accounting standards requires the administration to use personal judgment, estimates and assumptions that affect the application of policies and the displayed values of assets liabilities, income and expenses.
- The estimates and assumptions are prepared in light of previous experience and variety of other factors the results of estimates and assumptions represent the basis for the composition of the personal judgment of the carrying amounts of assets and liabilities in a more significant manner than other sources.
- Actual results may differ from those estimates.
- The estimates and assumptions related to the financial statements are reviewed on an ongoing basis.
- The recognition of the change in accounting estimates is stated in the period, in which the change occurred, if the change affects this period, or the period of the change and future periods if the change affects both .
- **The following important item which used this assumptions and personal judgement :**

  - **Estimating the useful life of fixed assets is the basis for calculating depreciation**

Fixed assets are charged with depreciation expense over the estimated useful life of the asset using the straight-line method. Depreciation is calculated monthly since the start of using the asset. The administration periodically evaluates the assets and recommends reducing the asset if production resumes within the necessary ages. Reviewing the actual economic useful life, which is likely to differ from the expected estimated life, is carried out periodically for the asset, which may lead to a change in the depreciation expense in future periods .

  - **Provisions and Contingent Liabilities**

Provisions relate to expected claims by third parties in connection with the Company's operations. The Company uses the best estimates of provisions based on historical data and surrounding information. In the event of any differences between the actual claims received and the amounts recorded Initially, these differences will affect the period in which these differences occurred.

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2-2 Summary of significant accounting policies - continued

A- Translation of transactions to foreign currencies

- Transaction denominated in foreign currency are translated in to respective functional currencies of the company at the exchange rate declared at the date of transactions .
- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the date of financial statements .
- Assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined .
- Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of transaction .
- Generally , foreign currency difference arising from the transactions during the year are charged to statement of profit or loss .

- The company has chosen to apply the exceptional accounting treatment in accordance with Paragraph 5 (g) and Paragraph No. 9 of Prime Ministerial Resolution No. 1847 of 2023 regarding the effects of changes in foreign exchange rates, added by Prime Ministerial Resolution No. 4706 of 2022, which permits the recognition of currency differences resulting from differences in the retranslation of balances of items of a natural nature. Cash is included in comprehensive income.

B- Fixed assets and their depreciation

- Fixed assets are stated at cost, and their historical cost is shown in the balance sheet, less accumulated Depreciation and impairment historical cost includes the costs associated with the acquisition of a fixed asset .

Fixed assets are depreciated using the straight-line method over the estimated useful life of each type of asset. The estimated lives of fixed assets for the purpose of calculating depreciation are as follows:

the Asset	Productivity life per year
Buildings & constructions	2% - 5%
machineries & tools	8%
vehicles	10%
Equipment & tools	10% - 50%
Furniture & office equipment	10% - 20%
Improvement & decoration	20%
Computer networks	20%

- Fixed assets are eliminated when they are disposed of or when no future economic benefits are expected from their use or sale in the future.

- Any gains or losses that arise when the asset is excluded are recognized in the statement of profits or losses in the period in which the asset is eliminated .

- The remaining values of the assets, their useful life, and methods of depreciation are reviewed at the end of each year and modifies if necessary.

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

2-2 Summary of significant accounting policies - continued

C- Impairment of fixed assets.

Losses resulting from impairment are recovered only if there has been a change in the assumptions used to determine the recoverable value of the asset since the last loss resulting from impairment was proven. The recovery of losses resulting from impairment shall be limited such that the book value of the asset does not exceed or exceed its recoverable value. The book value that would have been determined net after depreciation, unless the losses resulting from the impairment of the asset were recognized in previous years, and the recovery of the losses resulting from the impairment was recorded in the statement of profit or loss .

The company periodically determines at each balance sheet date whether there is an indication that a fixed asset has become impaired when the book value of the asset exceeds its recoverable value. It is considered that there is an impairment of the asset and therefore it is reduced to its recoverable value and the impairment losses are recorded in a statement of Profits or losses .

D- New issuances and amendments to Egyptian accounting standards

On March 6, Prime Minister's Decision No. (883) of 2023 was issued amending some provisions of accounting standards. The following is a summary of the most important of these

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
Egyptian Accounting Standard No. (10) 2023 Fixed assets and their depreciation" and the Egyptian Accounting Standard No.(23) 2023 Amended Intangible Assets"	1-These standards were re-issued in the 2023, which permeation to use revaluation model includes the subsequent measurement of fixed assets and intangible assets . - This resulted in amending the related paragraphs using the "revaluation model choice to the applicable Egyptian accounting standards are as follows : Egyptian accounting standard no 5 " change in estimate &accounting policies " Egyptian accounting standard no 24 " income taxes " Egyptian accounting standard no 30 " periodically financial statements " Egyptian accounting standard no 31 " impairment of assets" Egyptian accounting standard no 49 " lease contract" 2 - In line with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture" that the paragraph no. (3),(6),(37) from accounting standard no (10)Fixed assets and their depreciation and then added 22 (A)80(B)80(c) the accounting standard have been lost Statement of those standards: Workers Paragraph (Add paragraphs 22 of the standard, and that. (A), 80 (C) and 80 (D) were added to the same relating to fruiting plants. A Regarding: The company is not required to disclose quantitative information 28 required under paragraph 28 (f) of Egyptian Accounting Standard No. (5) for the current period, It is the period of the financial statements in which the first is applied Once amended Egyptian Accounting Standard (35) 2023 regarding fruit-bearing plants. However, the quantitative information required under Paragraph (28) (f) of the standard must be disclosed Egyptian Accounting No. (5) for each previous period shown. A company may choose to measure a plant item The fruit is valued at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company first applied the amendments mentioned above, and that fair value is used as its hypothetical cost at that date. Any difference between the previous book value and the fair value must be proven in the opening balance by adding it to the revaluation surplus account next to the ownership rights in The beginning.	In the event that management uses the re-evaluation model option contained in those amended standards, the change in the adopted accounting policy will be studied and the potential impact on the company's financial statements will be evaluated.	The amendments to add the option to use the revaluation model are applied to the financial periods beginning on or after January 1, 2023, retroactively, with the cumulative effect of applying the revaluation model first proven by adding it to the revaluation surplus account next to equity at the beginning of the financial period in which it is based. The company applies this model for the first time. These amendments shall be applied for annual periods beginning on or after January 1, 2023, retroactively, with the cumulative effect of the accounting treatment for fruitful plants being firstly proven by adding it to the balance of profits or losses carried forward at the beginning of the financial period in which the company applies this treatment for the first time.

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

E- The fair value measurement

- The fair value for financial instruments is determined based on either the market value or similar financial instrument at the date of the financial statements without deducting any future selling costs.
- The financial assets value is determine based on the current purchase prices of these assets, while the financial liabilities value are determine based on the current prices which can settle these liabilities.
- In case of an active market to determine the fair value of financial instruments, the fair value will be estimated by the different evaluation methods considering the latest transaction's prices or other similar instruments are guided, use the discounted cash flows method or any other evaluation method that result a reliable values
- Estimates of the future cash flows based on the best the management estimates when use the discounted cash flows as an evaluation method, and determine the used discounted rate according to the prevailing market price as at the financial statements date of similar financial instruments of their nature and conditions.

F- Related parties

Related parties are treated on the same basis as others .

G - Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank current accounts, time deposits, and bank creditors .

H- Provisions

- Provisions are recognized when the company has a present or constructive obligation as a result of past events, and it is expected that the company will require to settle the obligation, and a reliable estimated be made for the amount of the obligation .
- The provisions balance are revised at financial statements date and adjusted according to the best estimates (if necessary).

J- Suppliers, creditors and other credit balances

- Suppliers, creditors and other credit balances are recognized at cost, and receivables are recognized at the values that will be paid in the future.

H-legal reserve

- According to the company's by laws, 5% of the net profits are set aside to form the legal reserve, and this deduction stops when the total legal reserve reaches an amount equivalent to half of the company's issued capital, and when the reserve decreases beyond that, it is necessary to return to the deduction.

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

M- Taxes

- **Income tax:**

- Income tax is represented on profits or losses for the year, both current tax and deferred tax. - is recorded in the income statement, with the exception of taxes related to items recorded directly in equity, in this case it is recorded in equity.
- The current tax represents the expected tax on the taxable profit for the year using the tax rates in effect at the date of the financial statements and any adjustment for tax due from previous years.

- **Deferred tax**

- The budget liabilities method is used for deferred tax, taking into account the expected differences between the book values of assets and liabilities for the purposes of the financial statements and the amounts due for tax purposes. The value of the deferred tax is measured using the tax rates in effect on the date of the financial position.
- A deferred tax asset is recognized in the event that future tax profit is expected to be available to meet the use of the asset. Deferred tax assets are reduced to the extent that it is not It is expected that the related tax benefit will be realized .

N-Financial instruments

Egyptian Accounting Standard No. (47) Financial Instruments

replaces the corresponding topics in the Accounting Standard Company's Classification and Measurement of Financial Instruments, Impairment of Financial Assets and Hedging Accounting as Egyptian Accounting Standard No. (26) "Financial Instruments Recognition and Measurement" affects Egyptian Accounting Standard No. (47) on The impact on the application of the Egyptian Accounting Standard is physical, such as an amendment to the opening balance of retained earnings when applying the modified method, with the effect that the company does not adjust the comparative figures. But instead is explained in more detail below. On the date of initial application.

Initial Recognition and Measurement

The initial recognition of all financial assets and financial liabilities occurs when the company becomes a party to the contractual of the instrument.

Financial assets

Standard (47) Financial Instruments requires the company to evaluate the classification of financial assets in its financial statements according to the cash flow characteristics of financial assets.

Egyptian Accounting Standard No. (47) no longer has an "available-for-sale" classification for financial assets. The new standard contains different requirements for financial assets in debt instruments or equity instruments

Classification of financial assets

Upon initial recognition, the financial asset is classified as measured at amortized cost or at fair value through other comprehensive income or at fair value through profit or loss.

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

A- The financial asset is measured at amortized cost if it meets the following criteria:

- The financial asset is held within the business model whose objectives is to hold and maintain the financial asset in order to collect the contractual cash flow .
- The contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding amount .

B- The financial asset is measured at fair value through other comprehensive income if it meets the following criteria

- The financial asset is held within the business model whose objectives is achieved by both to collect the contractual cash flow and sell the financial asset in the future .
- The contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding amount .

C - financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Subsequent measurement :

The following accounting policy applies to the subsequent measurement of financial assets

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method and its subject to impairment losses and any gain or loss on recognition ,derecognition or impairment of an investment is recognized in the statement of profit or loss .
Financial assets through other comprehensive income(investment in Debt instruments)	They are subsequently measured at fair value. Interest income calculated using the effective interest method while foreign exchange gains and losses and impairment are recognized in the statement of profit or loss . the change in fair value is recognized in other comprehensive income (equity). On derecognition accumulated gains and losses recognized in equity are reclassified to the statement of profit or loss .
Financial assets through other comprehensive income (investment in equity instrument)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit and loss. Any gain or loss from derecognizing or recognizing the investment is recognized in other comprehensive income (equity) and may not be reclassified to the statement of profit or loss.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses are recognized, including changes in fair value and interest income Dividends are included in the statement of profit or loss .

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period in which the company is established. By changing its business model in order to manage financial assets .

Derecognition :

A financial asset is derecognized when:

-The rights to receive cash flows from the asset have expired.

-The Company transfers the rights to receive cash flows from the asset or assumes an obligation to pay in full the cash flows received without material delay to another party under an arrangement Receive and pay, or:

-The Company has transferred fully all the risks and rewards of the asset,

- or the Company has not transferred or retained fully all the risks and rewards of the asset, but has Transferring control of the asset .

Expected credit loss (impairment of financial assets)

Egyptian Accounting Standard No. (47) introduces the Expected Credit Loss Model, which replace the Actual Loss Model in Egyptian Accounting Standard No. (26), where there was no need to create an allowance for doubtful debts except in cases where a loss occurred. In contrast, the expected credit loss model requires the Group to recognize an allowance for doubtful account on all financial assets carried at amortized cost (including, for example, "receivables"), as well as debt instruments classified as financial assets at fair value through Other comprehensive income. (for example, treasury bills held for liquidity purposes) and instruments that fall within the scope of the new requirements include loons and other debt-type financial assets measured at amortized cost and at fair value through other comprehensive income, contract assets that are recognized and measured in accordance with the standard, loan commitments and some financial guarantee contracts (of the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on a credit loss event identified by the Group for the first time. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1') and in this case, the expected credit losses are recognized over a period of 12 months.

- Financial instruments that have deteriorated significantly in credit quality since initial recognition or that have not low credit risk ('Stage 2'). In this case, the expected credit losses are recognized over the expected life of the financial asset.

('Stage 3') would cover financial assets that have objective evidence of impairment accordingly the Group must measure at each financial reporting date the expected credit loss of the financial instrument with an amount equivalent to the expected credit losses over the life of the financial instrument

12-months ECL "Stage 1" is recognized over a period of 12 months, while lifetime ECL "Stage 2" and "Stage 3" are recognized over the life of the financial asset

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

Presentation of Expected Credit loss

Allowances losses related to financial assets measured at amortized cost are deducted from the carrying amount of the assets.

The impairment losses in value is presented separately in the statement of profit and loss.

An assessment of expected credit losses for trade receivables and other trade receivables.

- The Group applies simplified approach for measuring expected credit losses, which uses a lifetime expected loss allowance, an example of a practical method is the calculation of expected credit losses from amounts receivable from trade receivables using the allowance pastis

- The entity uses its historical credit loss experience to estimate 12-month ECL or lifetime ECL on financial assets as appropriate .

Financial assets measured at amortized cost
The expected loss rates are based on the payment profiles of receivables over a period of 12 months before each reporting period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and future information on microeconomic factors affecting the ability of the customers to settle the receivables balances.

The expected loss approach divides the total amount of the loss model into the following parts: Probability of Default, Loss Given Default, Exposure at Default. These are briefly described below:

Loss Given Default: This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including any collateral It is usually expressed as a percentage of the EAD.

Probability Of Default: the likelihood of a default over a particular time horizon
Exposure At Default: This is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns related to committed facilities.

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

The Group uses a point in time probability of default model to measure expected credit loss. Probability of Default in a Point-in-time models incorporate information of a current credit cycle and assess risks at a point-in-time. Probability of Default structure in a point-in-time can be used to measure credit deterioration and start Probability of Default when performing the allowance calculations. Also, when calculating lifetime expected credit losses, after the inputs are correctly transferred, cash flows gross carrying amount, loss allowance, and amortized cost of the financial instrument can be projected and thus are calculated..

Weighted Average Macroeconomic Scenarios:
The company includes macroeconomic factors such as GDP to develop multiple scenarios.
In order to achieve the most likely outcomes using best and worst-case scenarios. Scenario-based analysis incorporates forward-looking information into an impairment estimate using multiple future macroeconomic scenarios. The ECL estimate reflects an unbiased, weighted value
After the model inputs are adjusted for the above macroeconomic scenarios, the likelihood is calculated and is determined by evaluating the potential outcomes. Default For each scenario, the weighted average probability of default is then calculated, which is based on the probability of the scenarios, and in the final step, the weighted average lifetime expected credit loss is determined, which is based on the probability of the scenarios.

Definition of Default
In the previous context, the company considers that default occurs when:
- There is a possibility that the customer will not pay his credit obligations to the company in full without the company resorting to procedures such as collecting the guarantee if the company holds it.
- When the customer is more than 360 days late in paying any important credit obligation to the company. Since the business sectors usually suggest that this period fairly represents the company's default scenario, this refutes the 90-day assumption mentioned in the standard.

The carrying value of the asset is reduced using the above model and the loss is recognized in the statement of profit or loss. Receivable balances are written off with the associated provision when there is no real possibility of recovery in the future and all guarantees have been realized or have been transferred to the Company. If the amount of estimated impairment losses increases or decreases in the subsequent year due to:
For events occurring after impairment was recognised, the recognized impairment losses are increased or reduced previously. If the written off amount is later recovered, the recovery amount is recorded under other income in Profit or loss statements.

Specific Provision
A specific provision is recognized on a customer-to-customer basis at each reporting date. The Company recognizes a specific provision against receivable balances from certain customers. Provisions are reversed only when outstanding amounts are recovered from customers.

The total carrying value of financial assets is written off, either partially or completely, to the extent that there is no realistic expectation of recovery. This is generally the case when the company determines that the debtor does not have the assets or...

Write off
Sources of income that can generate sufficient cash flows to repay amounts that are subject to write-offs.

Financial Liabilities
All financial liabilities are initially recognized at fair value and, in the case of loans and advances, less direct transaction costs.

The company's financial liabilities mainly include trade and other credit balances and facilities. After initial recognition, loans and advances are subsequently measured at amortized cost using the method.
Effective interest rate.

Financial obligation	Classification according to the Egyptian standard
Trade credit balances	At Amortized cost
Accrued expenses and other current liabilities	At Amortized cost
Loans	At Amortized cost
Due to related parties	At Amortized cost

Derecognition

The Company derecognize financial liabilities when contractual obligations are paid, canceled or settled .

Modification of financial assets and financial liabilities

Financial Assets

If the terms of a financial asset are modified, the Company assesses whether the cash flows of the modified asset are materially different. If the cash flows are materially different, then the contractual rights to the cash flows from the original financial asset are considered to have expired. In this case, stop to derecognate the original financial asset and recognate the new financial assets at fair value.

About proving the original financial assets and proving the new financial assets at fair value. If the cash flows of the modified assets recorded at amortized cost are not materially different, then the modification does not result in the financial assets being derecognised. In this case, the company recalculates the total book value of the financial asset and records the amount resulting from adjusting the total book value as an adjustment to profit or loss in the statement of profit or loss.

Financial Liabilities

The Company derecognises a financial liability when its terms are modified and when the cash flows of the modified liability are materially different. In this case, new financial liabilities based on the modified terms are recognized at fair value. The difference between the carrying value of the financial liabilities that are differentiated and the new financial liabilities with modified terms is recognized in the statement of profit or loss.

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

Offsetting of financial instruments

A set-off is made between the amounts of financial assets and financial liabilities, and the net amount is displayed in the statement of financial position prepared for a special purpose when there is a binding legal right to set off the listed amounts and when there is an intention to settle on a net basis in order to sell the assets and settle the liabilities at the same time.

O-Revenue recognition

Revenue recognition
Revenue is measured based on the amount specified in the contract with the customer and excludes amounts received by a third party. The Company recognizes revenue when control of a product is transferred
The principles in Egyptian Accounting Standard No. (48) are applied using the following five steps:

- **The first step**: The company compiles the contract with the client in the following cases:
  - If the contract is agreed to and adhered to by all parties.
  - If the rights of each party are determined.
  - If payment terms are defined
  - If The contract had commercial substance
  - if the number was collectible.

The second step: The company calculates all the goods or services agreed upon in the contract and determines whether it will include a separate performance obligation for each agreed upon good or service. The good or service is distinct and separated from other obligations in the contract

- if the customer can benefit from the good or service separately or with other available resources. Easily for the customer,
- the good or service is defined separately from the other goods or services mentioned in the contract.

Third Step: The company determines the transaction price, which is the amount it expects to pay for the transfer agreed goods or services to the customer. Independent of the goods or services provided to the customer.
Fourth Step: The transaction price is allocated to each independent performance obligation based on the selling price .
Fifth Step: Revenue is recognized when control of the goods or services is transferred
To a customer, The customer obtains control of a good or service if it has The ability to use it to benefit .

P - Interest income

Interest income is recognized using the effective yield method and interest income is included in the statement of profit or loss as financing income .

2 Basis for preparing financial statements and a summary of significant accounting policies – continued

Q-Borrowing cost

Borrowing cost are initially recognized upon receipt the loans or credit facilities, current portion are classified in the current liabilities unless that the company has the right to reschedule the payment of loans for more than one year after the date of the financial position which will be classified as long-term loan in the long-term liabilities

R-Employee benefits

The company is committed to paying its share in the social insurance systems of the Social Insurance Authority for the benefit of employees in accordance with the provisions of Social Insurance Authority Law No. 148 of 2019 and its amendments. The company bears the value of this contribution and it is included in the wages and salaries item in the income statement according to the accrual basis.

S-Contingent Liabilities and Commitments

Contingent liabilities to which the Company is a party are shown in addition to external commitments Budget as! They do not represent actual assets or liabilities at the balance sheet date.

T - Statement of cash flows

The statement of cash flows is prepared according to the indirect method. and for the purposes of preparing the statement of cash flows, cash, banks and term deposits are defined. Current cash balances at his request or at his request are considered to be the cash balances in the fund and accounts, and the balance of banks is considered a bank balance. An overdraft withdrawal that is paid is considered part of the company's management as one of the components of the cash and cash equivalents item for the purposes of preparing a statement of cash flows.

V - Dividends

Dividends are recognized as a liability in the year in which the dividends are announced, after the company's general assembly approves the dividend distribution.

X – Solidarity Contribution

The company estimates and pays the solidarity contribution related to the Health Insurance Law No. 2 of 2018 at the rate of 0.0025 (two and a half per thousand) of total actual revenues on a periodic basis.

Y – Onerous contract

At the end of each financial period, the company reassesses the expected losses resulting from the implementation of the remaining contracts (Signed with customers) which losses are calculated by comparison The net realizable value of the sales contract with the cost of the goods in inventory.

Z - Comparative figures

Comparative figures are reclassified whenever necessary to comply with changes in the presentation used in the current yea

Misr National Steel Company"Ataqa" – S,A,E, in Egyptian pound evaluate

3. FIXED ASSETS (NET)

Cost	lands	Building & construction	Facilities & roads	Machinery & Rolling mill	Equipment & tools	Vehicles	Furniture & office equipment	Computer networks	Improvement & decoration	total
At 1 January 2025	5,488,735	21,106,671	7,614,207	101,951,743	1,696,269	70,377,545	4,801,006	6,332,513	7,769,769	227,138,458
Additions during the year	-	-	-	4,810,406	80,992	-	7,472,655	87,044	-	12,451,097
Disposals during the year	-	-	-	(6,598,291)	-	-	-	-	-	(6,598,291)
At 31 December 2025	5,488,735	21,106,671	7,614,207	100,163,858	1,777,261	70,377,545	12,273,661	6,419,557	7,769,769	232,991,264
Accumulated Depreciation										
At 1 January 2025	-	15,893,721	6,848,734	92,659,392	1,448,464	11,916,349	3,631,735	5,702,511	7,769,769	145,870,675
Depreciation for the year	-	197,043	60,178	3,694,528	33,696	6,746,202	1,012,702	361,158	-	12,105,507
Accumulated depreciation of disposal during the year	-	-	-	(6,598,062)	-	-	-	-	-	(6,598,062)
At 31 December 2025	-	16,090,764	6,908,912	89,755,858	1,482,160	18,662,551	4,644,437	6,063,669	7,769,769	151,378,120
Net carrying amount										
At 31 December 2025	5,488,735	5,015,907	705,295	10,408,000	295,101	51,714,994	7,629,224	355,888	-	81,613,144
Cost										
At 1 January 2026	5,488,735	21,106,671	7,614,207	100,163,858	1,777,261	70,377,545	12,273,661	6,419,557	7,769,769	232,991,264
Additions during the period	-	-	-	1,410,564	-	-	34,000	29,382	-	1,473,946
Disposals during the period	-	-	-	-	-	-	-	-	-	-
At 31 March 2026	5,488,735	21,106,671	7,614,207	101,574,422	1,777,261	70,377,545	12,307,661	6,448,939	7,769,769	234,465,210
Accumulated Depreciation										
At 1 January 2026	-	16,090,764	6,908,912	89,755,858	1,482,160	18,662,551	4,644,437	6,063,669	7,769,769	151,378,120
Depreciation for the period	-	49,011	14,846	1,198,828	9,363	1,685,165	459,130	47,658	-	3,464,001
Accumulated depreciation of disposal during the period	-	-	-	-	-	-	-	-	-	-
At 31 March 2026	-	16,139,775	6,923,758	90,954,686	1,491,523	20,347,716	5,103,567	6,111,327	7,769,769	154,842,121
Net carrying amount										
At 31 March 2026	5,488,735	4,966,896	690,449	10,619,736	285,738	50,029,829	7,204,094	337,612	-	79,623,089

The clarification of fixed assets includes assets that are book depreciated and are still used in operation until 31 march 2026 and we explained them as follow:

Machinery & equipment	84,225,337
Vehicles	2,970,961
Equipment & tools	1,402,726
Furniture & office equipment	2,213,674
system equipment	5,611,278
Buildings & constructions	12,567,936
Facilities & roads	6,426,499
Finishing & decoration	7,769,769
Total depreciated assets	**123,188,180**

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4. Constructions in progress

	31/3/2026	31/12/2025
Assets under processing "Rolling mill"	12,097,470	13,507,234
	12,097,470	**13,507,234**

5. Fair Value investment from other comprehensive income

	31/3/2026	31/12/2025
cost at Fair Value Financial investment from other comprehensive income	49,369	49,369
Total Equity instruments at Valued at fair value unlisted on the stock exchange	**49,369**	**49,369**

6. Financial investment valued at fair value through profit or (loss)

1- Equity instrument valued at fair value listed on the stock exchange	**31/3/2026**	**31/12/2025**
Cost of short term investments stock	41,692,852	41,692,852
Revaluation on short term investments stock	(932,216)	(296,779)
Total equity instrument valued at fair value listed on the stock exchange	**40,760,636**	**41,396,073**
2- Equity instrument valued at fair value unlisted on the stock exchange		
Bank misr cash investment fund documents with periodic returns	412,988	8,501,141
Total equity tools valued at fair value unlisted on the stock exchange	**412,988**	**8,501,141**
Total Valued at Fair Value Financial investment from profit or (loss)	**41,173,624**	**49,897,214**

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7. INVENTORY (NET)

	31/3/2026	31/12/2025
Finished goods	388,626,940	408,150,109
Main and Auxiliary raw materials	67,240,717	128,499,563
Raw materials in transit	75	551,430
Spare parts store	82,116,956	80,476,798
Spare parts in transit	3,769,607	12,745,653
	541,754,295	**630,423,553**
Impairment inventories	(700,000)	(700,000)
	541,054,295	**629,723,553**

8. TRADE & NOTES RECEIVABLES (NET)

	31/3/2026	31/12/2025
Notes receivable	1,270,426,368	616,314,246
Trade receivables	453,062,033	425,152,366
Expected credit (loss)	(79,345,847)	(79,345,847)
	1,644,142,554	**962,120,765**

	Beginning balance	formed during the period	return expected credit (losses)	Ending balance
	(79,345,847)	-	-	(79,345,847)
Expected credit loss	**(79,345,847)**	-	-	**(79,345,847)**

Expected credit losses for trade receivable balances in 31 March 2026 according with the Egyptian Accounting Standard 47.

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9. RELATED PARTIES TRANSACTIONS

There are transactions between the company and some related parties, which are commercial transactions. The terms and values of these transactions are approved by the company's board of directors, and the basis for pricing these transactions is based on the market price prevailing in the country Transaction date .

Below is a statement of the balances of these current accounts :

9/A DUE FROM RELATED PARTIES

	Relation Type	*Transaction Nature*	**31/3/2026**	**31/12/2025**
Egyptian Co. for iron and steel production	Associated Company	Commercial	19,889,380	-
Egyptian Co, of steel	Associated Company	Commercial	-	39,540,024
El Garhi group for investment & development	Shareholder	Financial	155,982,829	116,037,483
El Garhi Steel	Associated Company	Financial	1,820,351	1,814,049
			177,692,560	**157,391,556**

9/B DUE TO RELATED PARTIES

	Relation Type	*Transaction Nature*	**31/3/2026**	**31/12/2025**
Egyptian steel for iron and steel production	Associated Company	Commercial	-	236,026,179
Egyptian Co, of steel	Associated Company	Commercial	182,044,970	-
El Garhi for Human Resources	Associated Company	Financial	20,000,000	-
			202,044,970	**236,026,179**

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9/1 . THE NATURE AND VOLUME OF TRANSCATION WITH RELATED PARTIES DURING THE PERIOD ENDED ON 31 March 2026

	Sales		*Purchased*		*Current Transaction*	
	31/3/2026	**31/3/2025**	**31/3/2026**	**31/3/2025**	**31/3/2026**	**31/3/2025**
El Garhi group for investment & development	-	-	-	-	39,945,347	85,956,904
Egyptian steel for iron &steel production	100,358,225	-	(302,760,255)	(129,793,950)	458,317,652	(108,401,415)
Egyptian company of Steel	-	-	(79,634,415)	-	(141,950,579)	134,997,921
El Garhi Steel	-	-	-	-	6,302	200,000
El Garhi for human resources	-	-	-	-	(20,000,000)	-
El watnya for glasses and crystal	-	-	-	-	-	(16,000,000)
Gamal abd el Qader abd el Baseer	-	-	-	-	-	(1,268,100)
Total	**100,358,225**	**-**	**(382,394,670)**	**(129,793,950)**	**336,318,722**	**95,485,310**

The Salaries and allowance of the members of the board of management reached in 31 march 2026 amount 1,644,088 L.E compared 1,614,798 L.E in 31 march 2025.

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10. DEBTORS & OTHER DEBIT BALANCES (NET)

	31/3/2026	31/12/2025
Suppliers - advance payments	210,164,941	108,599,765
Insurance held by others	5,694,526	5,657,305
Loans to employee & custodies	1,047,703	601,551
taxes collected by customs	34,137,614	28,359,162
Tax Advance payment	21,114,608	21,114,608
Value added tax	42,019,163	87,720,626
Income tax	27,833,199	27,833,199
Sales tax differences	560,823	560,823
Trade receivable – current account	31,080,000	31,080,000
Pre-paid expenses	10,001	9,515,870
Purchase assets (investments)	139,187,000	139,187,000
Customs duties and deposits	1,194,312	1,194,312
Other debit balances	10,616,367	8,981,723
	524,660,257	**470,405,944**
Expected credit loss	(41,920,360)	(41,920,360)
	482,739,897	**428,485,584**

	Beginning balance	Formed during the period	Return expected credit losses	Ending balance
	(41,920,360)	-	-	(41,920,360)
Expected credit loss of debtors balances	**(41,920,360)**	-	-	**(41,920,360)**

11. INVESTMENTS IN TREASURY BILLS

	31/3/2026	31/12/2025
Treasury bills	584,991,222	499,988,832
Add: unrealized interest due	46,714,160	11,550,427
Deduct: tax due from interest due	(9,342,832)	(2,310,085)
	622,362,550	**509,229,174**

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12. CASH AND CASH EQUIVALENT

	31/3/2026	31/12/2025
Bank current account	506,755,196	1,220,413,117
Term deposits and letter of Guarantee	68,808,218	68,780,917
Cash and cash equivalent	3,715,801	5,369,182
	579,279,215	**1,294,563,216**

For the purpose of preparing the statement cash flow represent cash on hand:

	31/3/2026	31/12/2025
Cash Balance in Bank and Treasury	579,279,215	1,054,228,373
Term deposits and letter guarantee more than 3 month	(68,808,218)	(815,040)
	510,470,997	**1,053,413,333**

13.Capital

The company's authorized capital is determined to be **one billion Egyptian pounds**, issued and part-in capital is determined to be EGP 600,000,000 is distributed over 1,200,000,000 shares at par value 50 piaster per share, all of them are cash shares and The company's shares are kept centrally with the Misr Clearing, Creativity and Central Registration Company, and they are traded from During the Egyptian Stock Exchange, the paid-in capital is showed distributing on the shareholders as follows:-

	31 March 2026		31 December 2025	
	No. of shares	Contribution percentage	No. of shares	Contribution percentage
El Garhi group for investment & development	753,493,764	%62.79	753,493,764	%62.79
El ergany for development and investment	315,000,000	%26.25	315,000,000	%26.25
Other shareholders	131,506,236	%10.96	131,506,236	%10.96
	1,200,000,000	**%100**	**1,200,000,000**	**%100**

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14.Legal reserve

In accordance with Companies Law No. 159 of 1981 and the company's bylaws, 5% of the net annual distributable profits are transferred to the legal reserve... The company must withdraw its issued capital. These legal transfer reserves cannot be distributed to shareholders when the legal reserve reaches 50%

15.Capital reserve

The capital reserve is formed from the capital profits resulting from the sale of fixed assets in order to be used to purchase new fixed assets or to spend it on developing existing fixed assets

16.DEFFERD TAX LIABILITY

	31/3/2026	**31/12/2025**
Net fixed assets (accounting)	73,844,442	76,124,409
Net fixed assets (tax)	(63,063,935)	(64,412,685)
Different	**10,780,507**	**11,711,724**
Tax percentage	22.5%	22.5%
Deffered tax liability	**2,425,614**	**2,635,138**

17. PROVISIONS

The provisions as at 31 march 2026 represented the provisions formed to meet the potential claims against the company is management decided after obtaing the necessary legal advice that the amount of these claims will not exceed the value of the provision on 31 march 2026 the management reviews the balance of provision during the year and adjust the amount of provision according to best estimate.

	Beginning balance	**Formed during the Period**	**Written off for the Period**	**Refundable provision for the Period**	**Ending balance**
Provisions from onerous contract	89,761,633	-	-	(6,409,593)	83,352,040
Provisions of claims	41,338,752	-	-	-	41,338,752
	131,100,385	**-**	**-**	**(6,409,593)**	**124,690,792**

A - Provisions from onerous contract

At the end of each financial period, the company re-evaluates the expected losses as a result of implementing the remaining sales contracts signed with customers where losses are calculated by comparing the net sales value of the sales contract with Cost of goods in inventory .

B – provisions of claims

Provisions relate to claims expected to be made by third parties in connection with the Company's operations. The company uses the best. Estimates and allocations. Through historical data and surrounding information. If there are any differences between the actual claims received and the initial recorded amounts, these differences will affect the period in which such differences occurred.

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18. CREDIT FACILITIES OF BANK

	31/3/2026	31/12/2025
Attijariwafa Bank	25,497,936	125,164,549
Housing and development Bank	17,956,741	253,214,576
National Bank of Egyptian	167,604,552	167,771,350
Next Bank	145,000,000	145,000,000
Arab African International	2	2
QNB El Ahly Bank	-	365,949,031
	356,059,231	**1,057,099,508**

*The guarantees provided to banks in exchange for obtaining credit facilities are represented by guaranteeing the stock of raw materials and the stock of finished production, with the issuance of insurance documents for the value of the stock in favor of the banks granting the facilities.

19. Suppliers

	31/3/2026	31/12/2025
Domestic Suppliers – Raw Materials	1,708	1,708
Foreign Suppliers – Raw Materials	679,848,519	-
Domestic Suppliers – Spare Parts	2,836,652	2,398,879
Foreign Suppliers – Spare Parts	5,769,077	333,998
Service Suppliers	5,998,570	8,475,664
Other Suppliers	112,640	14,674,383
	694,567,166	**25,884,632**

20. Creditors & other credit balances

	31/3/2026	31/12/2025
Client advance payment	194,050,022	118,147,462
Withholding Tax	156,606	255,645
Stamp Tax	1,471	1,615
Payroll Tax	1,810,646	1,596,239
Value added tax	26,570,179	-
Insurance for other	585,352	560,352
General Authority for Social Insurance	1,310,826	953,933
Health insurance Authority	20,347,399	17,189,103
Accrued Expenses	32,497,007	31,418,449
Accrued liabilities	91,413,438	91,413,438
Staff advanced fund	204,135	-
Universal health insurance authority – Suez	96,282	390,101
Shohadaa fund	5,315	5,136
Safeguard duties	23,949,581	24,165,945
Other Credit balance	870,015	756,717
	393,868,274	286,854,135

Misr National Steel Company "Ataqa" – S,A,E, in Egyptian pound evaluate

21. ACCRUED INCOME TAX

	31/3/2026	31/12/2025
Accrued Income tax	41,364,231	41,364,231
	41,364,231	**41,364,231**

22. SALES

	31/3/2026	31/3/2025
Local sales – reinforcement steel	1,034,530,591	1,778,058,133
Export sales - reinforcement steel	84,063,697	207,328,425
Other sales	98,480,648	35,518,575
	1,217,074,936	**2,020,905,133**

23. COST OF SALES (NET)

	31/3/2026	31/3/2025
Raw materials and production supplies	608,644,637	869,293,039
Natural gas expenses	14,339,539	12,922,792
Operating electricity expenses	7,190,085	5,784,682
Maintenance and production line supplies	7,675,779	5,953,056
Depreciation of industrial assets	1,668,865	811,908
Salaries and wages	20,444,771	19,230,587
Other industrial expenses	4,769,998	4,633,724
	664,733,674	**918,629,788**
Change in inventory increase / (decrease)	463,727,037	977,095,395
	1,128,460,711	**1,895,725,183**

24. SELLING & DISTRIBUTION EXPENSES

	31/3/2026	31/3/2025
Salaries and wages	3,425,513	3,332,332
Fees and stamps	-	8,635,071
Freight and shipping expenses	8,287,157	4,260,454
Depreciation expenses on marketing assets	1,590	1,110
Export expenses	77,200	2,674,181
Other expenses	621,394	599,322
	12,412,854	**19,502,470**

25. GENERAL & ADMINISTRATIVE EXPENSES

	31/3/2026	31/3/2025
Salaries and wages	10,282,541	9,424,135
Contributions and corporate social responsibility expenses	7,692,680	8,633,830
Fees and stamps	874,897	645,631
Takaful payable	3,158,296	6,134,391
Depreciation expenses – administrative	1,793,546	1,841,232
Other expenses	7,036,959	10,816,188
	30,838,919	**37,495,407**

Misr National Steel Company "Ataqa" – S,A,E, in Egyptian pound evaluate

26. CREDIT INTEREST

	31/3/2026	31/3/2025
Credit interest from current account	17,366,046	17,704,016
	17,366,046	**17,704,016**

27. INVESTMENT INTEREST

	31/3/2026	31/3/2025
Investment returns of treasure bills	28,130,986	-
Returns of investment funds	182,213	878
Returns of stock dividends	-	1,150,079
Gain from selling financial investment	-	413,642,306
	28,313,199	**414,793,263**

28. EARNINGS PER SHARE (LE/SHARE)

Basic earnings per share are calculated by dividing the net profit for the period available to number common shareholders during the period as follows:

	1/1/2026 to 31/3/2026	*1/1/2025 to 31/3/2025*
Net profit for the period after tax	12,045,045	103,995,245
Number of shares for the period	1,200,000,000	1,200,000,000
Earnings per Share (LE/SHARE) For The Period	**0.010**	**0.087**

Earnings per share have been calculated in accordance with the requirements of Egyptian Accounting Standard (EAS) No. 22 – Earnings per Share. The proposed distributions to employees and members of the Board of Directors have not been deducted from the profit amounts when calculating earnings per share, as no proposal has been made by the Board of Directors.

29. COMPARATIVE FIGURES

Comparative figures have been adjusted / reclassified to conform with the presentation of the current financial statements

30. Legal Position

The management reviewed the legal position of the company regarding the lawsuits filed against or from the company by third parties during the period and the effect of that by clarifying the provisions No. (17).

31. TAX POSITION

The company was established on May 31. 1998. and the start date of the activity was set on June 30, 2001, The company enjoys tax exemption on the profits of capital companies for a period of ten years, starting from the year following the start of the activity, from January 1. 2002. and ending on December 31. 2011. in accordance with the provisions of Law No, 8 of 1997. And according to the tax card issued to the company on which the aforementioned exemption is proven .

First :Income tax

The period from the beginning of the activity until the end of 2016

The company was examined for those years, and the company was notified of the results of the examination, Disputes were discussed in the internal committees, and the dispute for those years was settled with the Tax Authority, and the differences were paid in full.

The years are from 2017 to 2019

The company submitted tax returns for those years in accordance with the provisions of Law No, 91 of 2005 on the legal dates , and paid the taxes due based on the returns, The company was examined in an estimated manner by the Center for Senior Financiers, The company was notified of Form 19 No. 1649 on 10 April 2023. and it was appealed on 10 April 2023, An internal appeal committee at the Center for Senior Financiers, requesting a re-examination of the company on an actual basis, and coordination is underway with the examining officer to start the re-examination work.

The years are from 2020 to 2022

The company submitted tax returns for those years in accordance with the provisions of Law No, 91 of 2005 and its amendments on the legal dates, and the taxes due were paid based on the returns, An electronic examination request for those years was sent by the Center for Senior Financiers. The examination documents were requested, and the examination data and analyzes were prepared and uploaded to the electronic system. And those years have not been examined to date.

Year 2023 to 2025

The company submitted the tax return for that year in accordance with the provisions of Law No. 91 of 2005 on the legal dates and paid the taxes due, and those years have not been examined to date.

Second : Payroll tax

The years from 1998 to 2019

The company was examined for that period, and the company was notified of the examination differences, and an objection was made to them ,an internal committee was formed on it ,as adjustments to due differences included payments.

The period from January 1. 2020 to December 31. 2022

The company deducts the due tax from the employees and sends it regularly to the Senior Taxpayers Center, and prepares the necessary tax settlements for each year and delivers them to the Senior Taxpayers Center on the date specified by the law, An electronic inspection request was sent for those years by the Large Taxpayers Center. Inspection documents were requested and the inspection data and analyses were prepared and uploaded to the Tax Authority's electronic system. The inspection work has not been completed to date.

The period from January 1. 2023 to march 31. 2026
deducts the tax due on employees and remits it regularly to the Large Taxpayers Center and prepares the necessary tax settlements and uploads them to the electronic system on the date specified by the law. The company has not been inspected for that period to date.

Third : Stamp Tax

The period from the start of the activity until December 31. 2022

The company was inspected, the examination was objected, internal committees were conducted, and all due differences were paid,

The period is from January 1, 2023 to march 31. 2026
The company has not been examined for those years to date, and the company pays the stamp tax for that period on a regular basis,

Fourth : Sales/Value Added Tax

The period from the beginning of the activity until December 31. 2017
The company was examined for that period and the differences were paid in full,

The years are from January 1, 2018 through December 31. 2020
the company submits monthly returns on a regular basis to the Senior Financiers Center, on a regular basis, in accordance with the provisions of Law No. 67 of 2016. The company was examined by the Senior Financiers Center, and the company was notified of the results of the examination, and the file for that period is being settled,

For the years from January 1, 2021 until December 31, 2023
the company submits monthly returns on a regular basis on the legal dates to the Center for Major Financiers in accordance with the provisions of Law No. 67 of 2016 and pays the taxes due based on the declarations, if any. An examination of the company for those years was requested by the Center for Major Financiers, and it was completed. Preparing the required data and analyses, and the examination process has not begun to date

The period is from the first of January 2024 until the march 31.2026
The company submits monthly returns on a regular basis to the Senior Financiers Center in accordance with the provisions of Law No. 67 of 2016. and the company has not been examined to date,

Fifth :Withholding Tax and collection under the tax account

The years are from September 1. 2001 through December 31. 2016
The company deducts the tax from its clients according to their tax cards and it was supplied to the tax authority on a regular basis according to the quarterly returns to the central administration for deduction under the tax account,
The company was examined for the years from 2012 to 2016 by the central administration to check the deduction and addition, pay the due differences and settle the file for that period,

The period are from January 1. 2017 to march 31. 2026
The company deducts the tax from its clients according to their tax cards, and it is supplied to the Tax Authority on a regular basis, according to the quarterly returns to the central administration, to collect the deduction forms under the tax account,

Sixth :Real estate tax

The company was claimed for the period from the first of July 2013 until the 30 June 2014 with a total real estate tax of 109,805 Egyptian pounds, and it was appealed by the company, and the dispute was referred to the competent appeal committee, which issued its decision to reduce the tax to become 48,548 Egyptian pounds, but the committee's decision did not meet with the approval of the Tax Authority Al-Aqaria, which in turn appealed against the decision before the administrative court, and the Administrative Court issued its ruling rejecting the appeal submitted by the State Cases Authority, and the company was notified of claims for the period from July 1. 2013 to December 31. 2021 based on the appeal committee's decision, and it was paid in full,
From January 2022. the company has not paid real estate taxes according to the decision of the Minister of Finance to exempt establishments Industrial real estate tax,
The company submits applications for tax exemption on a regular basis.

Seventh: Social Insurance

The company pays both the company's share and what is deducted from the workers' social insurance share regularly, and there are no disagreements or disputes with the Social Insurance Authority. From all of the above it is clear, There are no taxes due and unpaid until December 31, 2024

32. FINANCIAL INSTRUMENTS AND ITS FAIR VALUE

The financial instruments are represented in the company's monetary assets and liabilities, The monetary assets include bank balances, accounts receivable, and items with monetary nature in the debtors and other debit balances section,
The monetary liabilities includes Accounts and notes payable and monetary items in creditors and other credit balances section,
Generally, the company's management follows certain financial risk management's policies as the carrying amount of the company's assets and liabilities are not materially different from their fair value at the balance sheet date,

A) Foreign currency risk

Foreign currency risk represents the risk from fluctuation of foreign currency exchange rates which affect the cash inflows and outflows in foreign currencies, as well as the valuation of assets and liabilities in foreign currencies, as of 31 march 2026 the foreign currency cash balances amounted to USD 1,812,975 , and outstanding supplier facilities balances amounted to USD 14,758,471. The exchange rate at the date of the financial statements was EGP 54.6634 to USD . a sensitivity analysis was performed to assess the potential impact of changes in the exchange rate on profit, assuming all other factors remain constant. The analysis indicates that:

- A 1% increase in the exchange rate would result in an estimated increase in profit of EGP 7,076,448.

Management uses the results of this analysis to monitor exposure to foreign currency risk and take appropriate measures to mitigate the impact of exchange rate changes

B) Interest risk

Interest risk is the risk that changes in interest rates will adversely affect the outcome of the business and the values of financial assets and liabilities,

The company relies on financing working capital and some long-term assets on self-financing from associated companies and related parties, in addition to partial financing from the banking institution, and accordingly, this type of risk is reduced, A sensitivity analysis was conducted to assess the impact of a ±1% change in the interest rate on credit facilities and interest-bearing cash balances in banks, assuming all other factors remain constant. The analysis showed the following results:

- **In the event of a 1% increase in the interest rate:**
- Credit facilities would decrease profits by EGP 296,714 per month.
- Cash balances in banks would increase profits by EGP 482,664 per month.
- **In the event of a 1% decrease in the interest rate:**
- Credit facilities would increase profits by EGP 296,714 per month .
- Cash balances in banks would decrease profits by EGP 482,664 per month .

This analysis reflects the sensitivity of the company's profits to changes in interest rates on both borrowings (interest-bearing liabilities) and cash balances in banks (interest income), assuming all other factors remain constant.

C) Liquidity Risk

Liquidity risk represents the risk of the company's disability to meet its obligations as they come due, According to the company's policy's, it seeks keeping an appropriate liquidity level to reduce such risks,

In general, the company's financial risk management's policies work for reducing the negative effects of these risks on the company's financial performance,

D) Credit risk

Credit risk represents the risk of the inability of the company's clients to settle their liabilities due to the company at the date of maturity,

The company mitigates this risk by performing regular follow up with their debtors,

Financial Manager	Vice chairman and managing Director	Chairman
Mr/ Sherif Samy	Mr/ Mohamad Gamal Abdel Qader	Mr/ Gamal Abdel Qader Abdel Basir
S.samy		