MUSTAPHA HEDDAD

Expert - Comptable - diplome

Commissaire aux Comptes

Adresse: Rue Hamdani Lahcene no. 23

Cooperative Mohamed Boudiaf-Hydra-Alger

*N*d'agrement : 1215 du 19 mai 1990*

*N*d'inscription au tableau : 0025*

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ELECTROSTEEL ALGERIE SPA

Financial Statements as of March 31st, 2026

TOGETHER WITH AUDITORS' REPORT

MUSTAPHA HEDDAD

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Algiers, April 25th, 2026

TO THE SHAREHOLDERS OF

ELECTROSTEEL ALGERIE SPA

ALGIERS, ALGERIA

We have audited the accompanying balance sheet of ELECTROSTEEL ALGERIE SPA (A JOINT STOCK COMPANY UNDER ALGERIAN COMPANIES LAW) as of March 31st, 2026 and the related statements of income. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Generally Accepted Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of ELECTROSTEEL ALGERIA SPA as of March 31st, 2026 and the results of its operations for the year then ended in accordance with the Generally Accepted Accounting Principles.

MUSTAPHA HEDDAD

HEDDAD MUSTAPHA
EXPERT COMPTABLE DIPLOME
COMMISSAIRE AUX COMPTES

ELECTROSTEEL ALGERIE Spa

Audit as at 31/03/2026

BALANCE SHEET – ASSETS

Description	*Notes*	*Balance at 31.03.2025*	*Balance at 31.03.2026*	*Variation*
Intangible fixed asset – Software		828 000,00	828 000,00	(0,00)
Tangible fixed asset		9 275 516.62	9 275 516.62	(0,00)
Accumulated depreciation		(10 103 516,62)	(10 103 516,62)	(0,00)
Fixed assets	***Note-1***	**0,00**	**0,00**	**(0,00)**
Inventory of tubes & fittings		0,00	0,00	0,00
Goods in transit		0,00	0,00	0,00
Inventories	***Note-2***	**0,00**	**0,00**	**0,00**
Debtor balance of liability accounts		0,00	0,00	0,00
Advance on CAPEX		13 431 694,03	13 431 694,03	0,00
Advance on inventory		0,00	0,00	0,00
Payment on behalf of third parties		27 125 675,99	27,609,100.24	483,424.25
Prepaid operating expenses		923 000.09	527,000.09	(396,000.00)
Trade receivable		160 327 789,41	163,330,646.25	3,002,856.84
Cash & bank		837 026,31	365,518.84	(471,507.47)
Provision for Bad Debts		(29 299 914,88)	(29 299 914,88)	0,00
Receivables	***Note-3***	**173 345 270,95**	**175,964,044.57**	**2,618,773.62**
Balance sheet – Assets		**173 345 270,95**	**175,964,044.57**	**2,618,773.62**

HEDDAD MUSTAPHA
EXPERT COMPTABLE DIPLOME
COMMISSAIRE AUX COMPTES

ELECTROSEEL ALGERIE Spa

Audit as at 31/03/2026

BALANCE SHEET – LIABILITIES

Description	*Notes*	*Balance at 31.03.2025*	*Balance at 31.03.2026*	*Variation*
Share capital		135 093 750,00	135 093 750,00	0,00
Legal reserve		10 251 021,02	10 251 021,02	0,00
Retained earnings		(11 514 796,37)	342,161.83	11,856,958.20
Accruals		0,00	0,00	0,00
Equity	***Note-4***	**133 829 974,65**	**145,686,932.85**	**11,856,958.20**
Creditor balance of assets accounts		0,00	0,00	0,00
Account payable for CAPEX		0,00	0,00	0,00
Account payable		0,00	0,00	0,00
Detention held for third parties		595 000.00	0,00	(595,000.00)
Associates current account		0,00	0,00	0,00
Account payables for operations		413 502.20	1,350,048.37	936,546.17
Advance received from debtors		0,00	0,00	0,00
Bank overdraft		26 639 835.04	11,258,146.87	(15,381,688.17)
Income Tax Provision		10 000,86	7,000.86	(3,000.00)
Account payables	***Note-5***	**27 658 338,10**	**12,615,196.10**	**(15,043,142.00)**
Profit (Loss) of the year	***Note-6***	**11 856 958,20**	**17,661,915.62**	**5,804,957.42**
Balance sheet – Liabilities		**173 345 270,95**	**175,964,044.57**	**2,618,773.62**

HEDDAD MUSTAPHA
EXPERT COMPTABLE DIPLOME
COMMISSAIRE AUX COMPTES

ELECTROSEEL ALGERIE Spa

Audit as at 31/03/2026

PROFIT & LOSS STATEMENT

Description	*Notes*	*Balance at 31.03.2025*	*Balance at 31.03.2026*	*Variation*
Sales of goods		0,00	0,00	0,00
Cost of sales – trading		0,00	0,00	0,00
Gross margin		**0,00**	**0,00**	**0,00**
Gross margin		0,00	0,00	0,00
Service revenue		25 891 516,11	30,494,394.21	4,602,878.10
Costs reversal		0,00	0,00	0,00
Raw material consumption		(30 482,00)	(24,000.00)	6,482.00
Service		(5 866 801,19)	(6,098,178.82)	(231,377.63)
Added value		**19 994 232,92**	**24,372,215.39**	**4,377,982.47**
Added value		19 994 232,92	24,372,215.39	4,377,982.47
Other income		0,00	0,00	0,00
Salaries & wages		(2 512 258,50)	(3,480,103.87)	(967,845.37)
Taxes & duties		(1 529 042,19)	(323,443.70)	1,205,598.49
Financial cost		(4 148 991,38)	(2,901,323.01)	1,247,668.37
Insurance & other cost		(9 860,50)	(602,169.65)	(592,309.15)
Depreciation of fixed asset		(0,00)	(0,00)	0,00
Operating income		**11 794 080,35**	**17,065,175.16**	**5,271,094.81**
Extraordinary income		72 877,85	606,740.46	533,862.61
Extraordinary expense		0,00	0,00	0,00
Extraordinary income		**72 877,85**	**606,740.46**	**533,862.61**
Operating income		11 794 080,35	17,065,175.16	5,271,094.81
Extraordinary income		72 877,85	606,740.46	533,862.61

Gross profit (or loss)		11 866 958,20	17,671,915.62	5,804,957.42
Company tax on benefits		(10 000,00)	(10 000,00)	0,00
Net profit of the year		11 856 958,20	17,661,915.62	5,804,957.42

HEDDAD MUSTAPHA
EXPERT COMPTABLE DIPLOME
COMMISSAIRE AUX COMPTES

(1) GENERAL

ELECTROSTEEL ALGERIE SPA was established on January 21st, 2004.

The share capital of the company is DZD 135 093 750 consisting of 82 500 shares at a value of DZD 1 637,50 each.

The share capital distribution is done as follows:

1. ELECTROSTEEL CASTING LIMITED	(82 492 Actions)
2. M. UMANG KEJRIWAL.	(2 Actions)
3. M. MAYANK KEJRIWAL.	(1 Action)
4. M. MAHENDRA KUMAR JALAN.	(1 Action)
5. M. NIGAM CHANDER BAHL.	(1 Action)
6. M. PANKAJ PODDAR.	(1 Action)
7. M. AZIZ CHADLY.	(1 Action)
8. M. JEAN FRANÇOIS HAHANG.	(1 Action)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2-1 Basis of preparation -

The accompanying financial statements are prepared based on the historical cost principle in accordance with Generally Accepted Accounting Principles.

2-2 Cash and cash equivalents -

Cash includes cash at hand and cash in banks.

2-3 Receivables -

Receivable are stated at the fair value of unpaid invoices including bad debt reservation.

2-4 Inventories -

Adopted method of evaluation of tubes and special parts is weighted average method.

Goods in transit are valued at cost.

2-5 Fixed assets -

Fixed assets values are including all related handling expenses.

Depreciations are calculated on a straight-line basis using annual depreciation rate detailed as follow:

Patent & commercial rights	: 20%
Prefabricated cabins	: 10%
Lifting and handling materials	: 10%
Vehicles	: 20%
Office equipment	: 20%

Furniture & fixture : 20%

2-6 Revenue recognition -

Sales revenue is recognized when the service has been rendered.

2-7 Costs recognition -

Costs are recognized as an expense in the period in which they are incurred.

2-8 Foreign currency -

Assets and liabilities denominated in foreign currencies are converted to Algerian Dinars using the Bank of Algeria exchange rates prevailing at period end. Foreign currency transactions during the period are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the accompanying statements of income.

2-9 Income tax -

The company is subject to Algerian Income tax law. The company tax rate was decreased from 30% in 2005 to 25% in 2006 and then increased to 26% in 2019 and no Income Tax in the Financial Year since there are only service revenues.

Note 1: Fixed assets

Fixed assets of the company as of March 31st, 2026 shows a net balance of DZD 0,00

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The following statement describes the evolution of fixed assets during the audited period:

	Gross				Depreciation				
Description	**Opening**	**New additions**	**Disposals**	**Sum**	**Opening**	**Depr. Of the year**	**Disposals**	**Sum**	**Closing net value**
Plant & machinery									
Prefabricated cabins	-			-	-			-	-
Machinery & tools	-			-	-			-	
Fixture & fitting	419 711			419 711	419 711			419 711	
Cars	2 635 176			2 635 176	2 635 176			2 635 176	
Office equipment	6 220 627			6 220 627	6 220 627			6 220 627	
Telephones	-			-	-			-	
Intangible Assets									
Logicel	828,000			828,000	828 000			828 000	
	10 103 516	**0,00**	**0,00**	**10 103 516**	**10 103 516**	**0,00**	**0,00**	**10 103 516**	**0,00**

Note 2: Inventories

Company's inventory as of 31st March 2026 is detailed as follow:

Description	Balance at 31.03.2025	Balance at 31.03.2026	Variation
Tubes	-	-	-
Special spares	-	-	-
Miscellaneous spares	-	-	-
SUM	-	-	-

We did not make any physical inventory since there was no stock.

Note 3: Receivables

A. Guarantees, deposits and staff loans

Advances on CAPEX as of 31st March 2026 are amounting to DZD 13 431 694.03 related to:
Guaranties deposits detailed as follow:

Beneficiaries	DZD
Caution THCE	80 000,00
Caution Hydro aménagement	13 351 694,03
SUM	**13 431 694,03**

B. Payment on behalf of third parties

As of March 31st 2026, the current cost is amounting to DZD 27 609 100,24 detailed as follow:

Description	Balance at 31.03.2025	Balance at 31.03.2026	Variation
Input VAT Tax	27 125 675,99	27 609 100,24	483 424,25
SUM	**27 125 675,99**	**27 609 100,24**	**483 424,25**

C. Prepaid operating expenses

Operating Advances as of 31st March 2026 amounting to DZD 527 000,09 include mainly:

- Prepaid expenses for DZD 527 000,09 as follow:

Description	Supplier	Amont DZD
Residence rent CHADLY	Chadly Aziz	527 000,00
SUM		527 000,00

D. Trade receivables

As of March 31st 2026, the gross trade receivables are amounting to DZD 163 330 646,25. The domestic customer's receivable represents 90% of gross trade debtor's balance.

- Domestic customers 151 856 203,95 DZD
- Foreign customers 11 474 442,30 DZD (74 028,66 Euro)

The main domestic clients are the followings:

Customer	DZD
HYDRO AMENAGEMENT ROUIBA	122 556 289,07
SARL T.H.C.E. NEDJOUI	29 299 914,88

The main foreign clients are the followings:

- Electrosteel Europe 11 474 442,30 DZD

DATE	REFERENCE	LIBELLE	MONTANT DZD	professional fees
31/01/2026	10348.25EUR	FACT JAN BIS26 ECL EUROP 10348.25EUR*155	1 603 978,75	10 348,25
28/02/2026	24526.36EUR	FACT FEV26 ECL EUROP 24526.36EUR*155	3 801 585,80	24 526,36
31/03/2026	39154.05EUR	FACT MARS26 ECL EUROP 39154.05 EUR*155	6 068 877,75	39 154,05
			11 474 442,30	**74 028,66**

E. Cash & cash equivalents

Cash & cash equivalents as of 31st March 2026 are detailed as follow:

Description	Balance at 31.03.2025	Balance at 31.03.2026	Variation
Bank Accounts	126 463,12	159 143,93	32 680,81
Cash in hand	710 563,19	206 374,91	(504,188.28)
SUM	**837 026,31**	**365 518,84**	**(471,507.47)**

- Bank accounts balance at March 31st 2026 are presented in the statement below:

Description	Balance at 31.03.2025	Balance at 31.03.2026	Variation
BNP HYDRA	126 463,12	159 143,93	32 680,81
SUM	**126 463,12**	**159 143,93**	**32 680.81**

Bank reconciliation statements don't show significant outstanding operations.

Note 4: Equity

Company's equity as of March 31st 2026 is presented as follow:

Description	*Balance at 31.03.2025*	*Balance at 31.03.2026*	*Variation*
Share capital	135 093 750,00	135 093 750,00	0,00
Legal reserve	10 251 021,02	10 251 021,02	0,00
Accruals	0,00	0,00	0,00
Retained earnings	(11,514,796.37)	342,161.83	11 856 958,20
SUM	**133 829 974,65**	**145 686 932,85**	**11 856 958,20**

- The net increase of DZD 11 856 958,20 shown in the current year equity balance comparing to previous period balance is due to profit earned during the year.

Note 5 Payables:

A. Detention held for third parties

This is related to the taxes and social security payments due to the government liable for the month of March.

B. Bank overdraft

Bank overdraft amounting to DZD 11 258 146,87 as of 31st March 2026 is related to overdraft balance of the following accounts:

Description	Balance at 31.03.2025	Balance at 31.03.2026	Variation
ABC BANK	26 639 835,04	11 258 146,87	(15 381 688.17)
BNP	0,00	0,00	0,00
SUM	**26 639 835,04**	**11 258 146,87**	**(15 381 688.17)**

The overdraft has decreased in comparison to last year due to realization of debtors.