

Investor Presentation

May 2025

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Business Overview

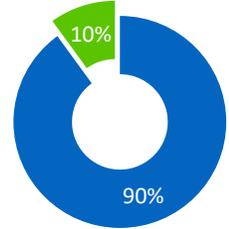
Quick facts about the Group

Steel production capacity:
3.5 mtpa



DRI + EAF Technology

Revenue split



■ Steel ■ Cement

FY24

Revenue of AED 8.3 bn

EBITDA of AED 0.9 bn

Cement production capacity:
4.6 mtpa

ADX: EMSTEEL
MCAP: AED 8.2bn*
ADTV: AED 2m**

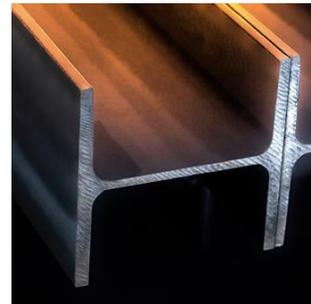
Key Finished Steel Products



Rebar



Wire rod



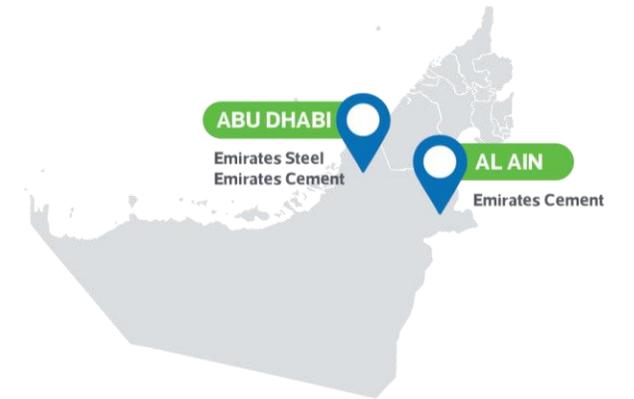
Heavy Sections



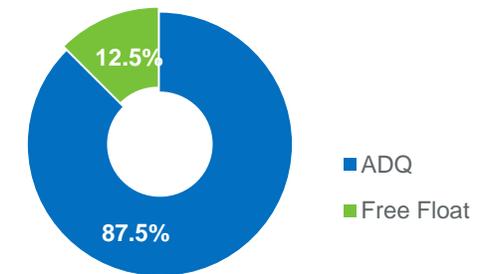
Sheet Piles

Located in UAE

Steel assets - Abu Dhabi
Cement plant - Al Ain

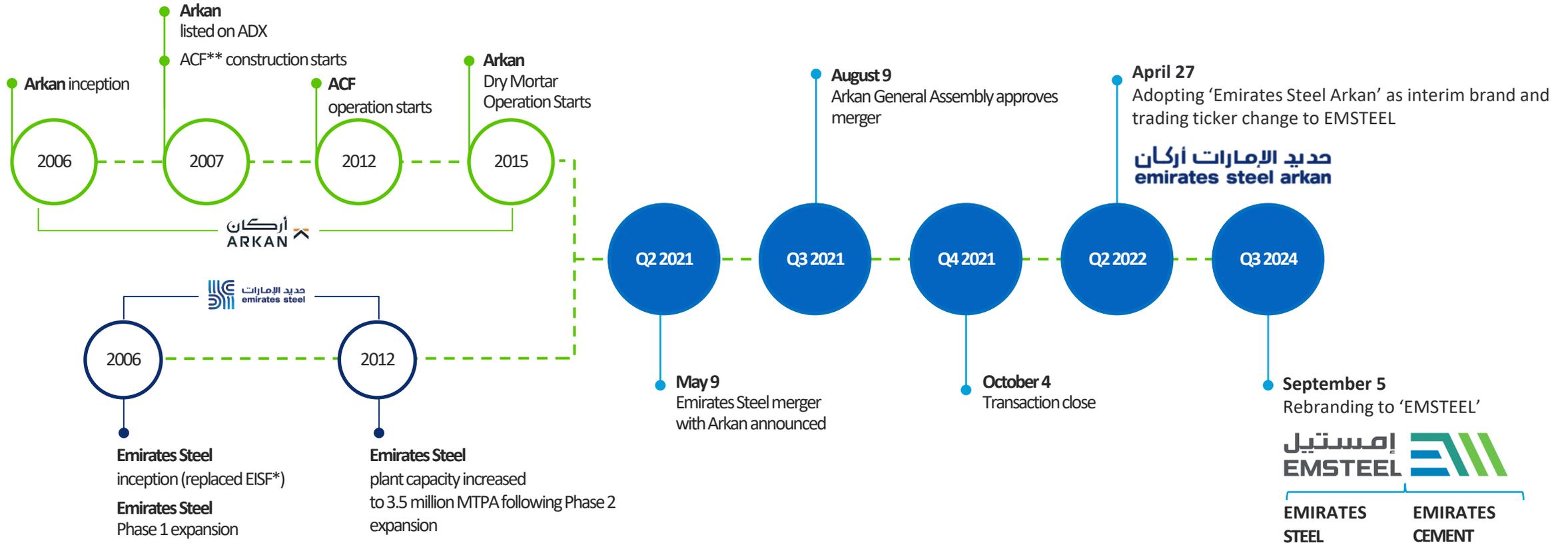


Ownership structure



*Market CAP as of 05.05.2025
**Average Daily Trading Volume is calculated over the last 12 months as of 02.05.2025

Merger Recap: Key Milestones



From the time of the announcement of the merger to its completion, shares of EMSTEEL increased 50% to AED 1.20*** from AED 0.8.

*EISF = Emirates Iron & Steel Factory
 **ACF = Al Ain Cement Factory
 *** Share price as of 13.05.2025

Our Product Lines



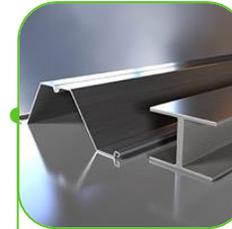
A leading producer of high-quality **rebar** with a production capacity of **2 million tonnes annually**



A prominent **wire rod** producer in the GCC with a production capacity of **0,5 million tonnes annually**



The largest producer of **heavy and jumbo sections** in the GCC with a production capacity of **1 million tonnes annually**



The only producer of **hot-rolled sheet piles** in the MENA region



Rebar in Coils provides greater efficiencies and cost savings



Steel billets are processed into rebar, wire rod or coil in the Group's rolling mills



High-quality cement with a production capacity of **4.6 million tonnes** and **clinker** with a production capacity of **3.1 million tonnes annually**



Concrete blocks with a production capacity of **85 million blocks annually** and dry mortar used in local construction



GRP and PVC Pipes largest centrifugal casting pipe factory in the world with **33 thousand tonnes annual capacity**

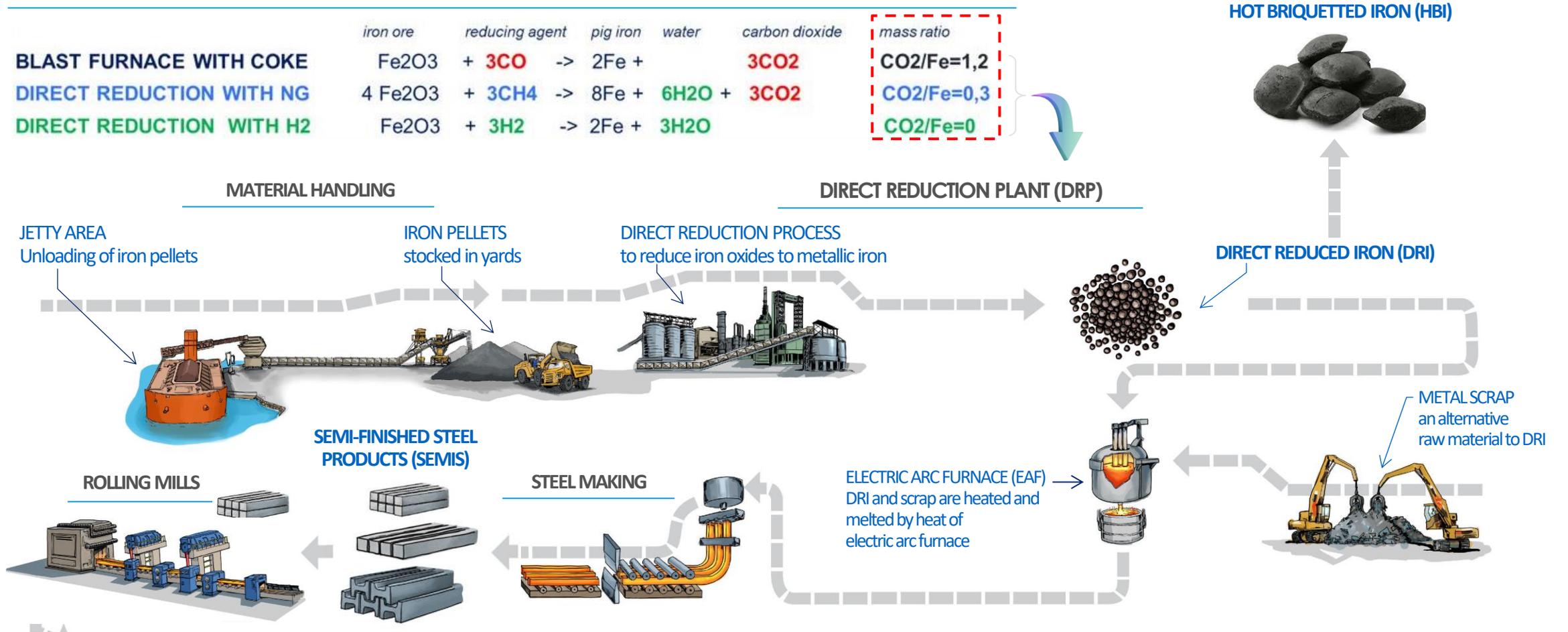


Bags with a production capacity of **62 million sacks annually**

EMSTEEL use of DRI technology

Different steel production routes and relative CO2 Scope 1 emission intensity (*without EAF*)

	iron ore	reducing agent	pig iron	water	carbon dioxide	mass ratio
BLAST FURNACE WITH COKE	Fe_2O_3	+ 3CO	-> 2Fe +		3CO_2	$\text{CO}_2/\text{Fe}=1,2$
DIRECT REDUCTION WITH NG	$4 \text{Fe}_2\text{O}_3$	+ 3CH_4	-> 8Fe +	$6\text{H}_2\text{O}$ +	3CO_2	$\text{CO}_2/\text{Fe}=0,3$
DIRECT REDUCTION WITH H2	Fe_2O_3	+ 3H_2	-> 2Fe +	$3\text{H}_2\text{O}$		$\text{CO}_2/\text{Fe}=0$



Geographic Footprint



The Group contributes **10%** of Abu Dhabi's non-oil manufacturing output and exports steel products to more than **70** countries.

UAE steel market share, FY24 :



60% of rebar and wire rod.



70% of heavy sections and sheet piles.

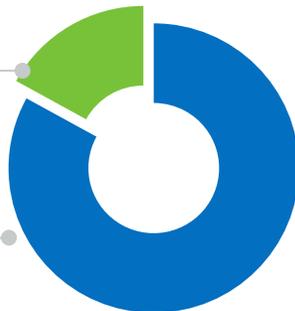
Steel sales, FY24:

17%

Export sale volume

83%

Domestic sale volume



United Arab Emirates

- Abu Dhabi – Steel Division
- Al Ain – Cement Division

Some of the projects we are proud of



Burj Khalifa



Sheikh Zayed Bridge



Dubai Metro



Khalifa Port



Suez Canal



Fulham Football Ground



Louvre Abu Dhabi



Yas Island



Emirates Palace



Barakah Nuclear Power Plant



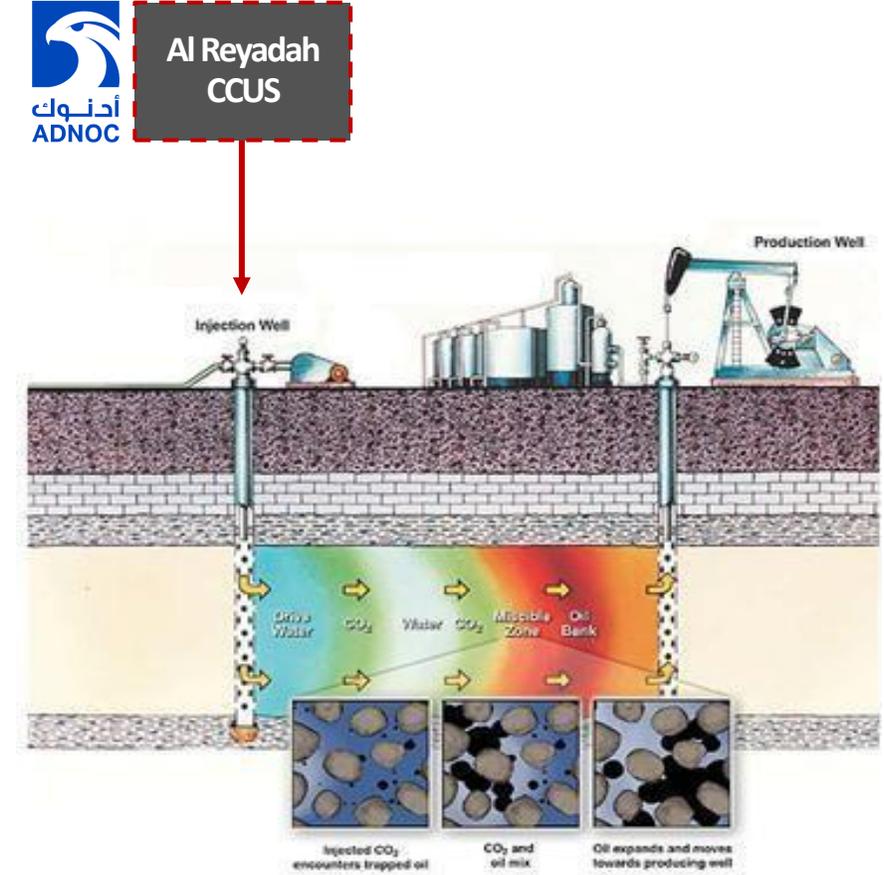
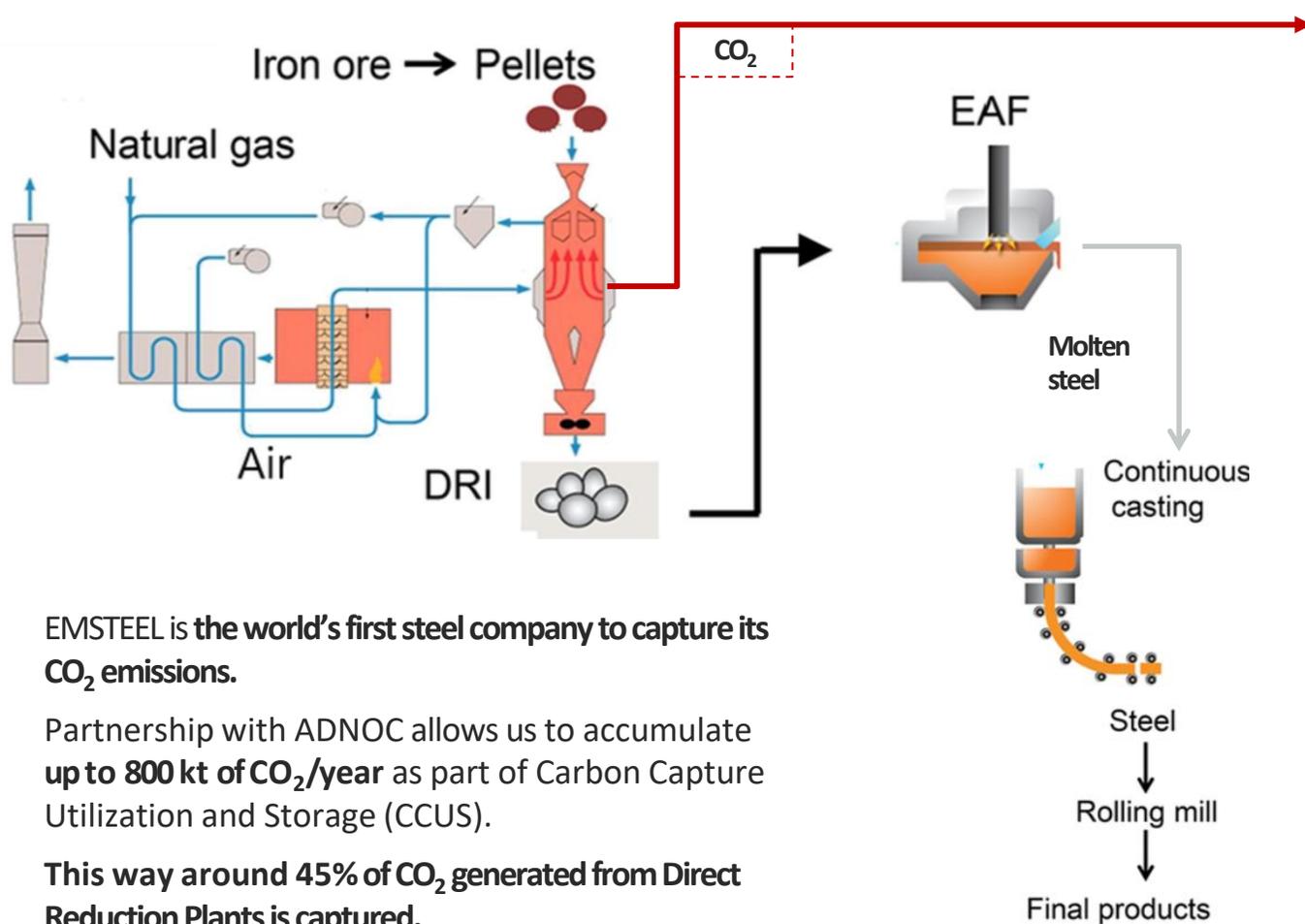
AD International Airport



Guggenheim Museum

Key ESG Credentials

First Steelmaker Worldwide to Capture its CO2 Emissions



EMSTEEL is the world's first steel company to capture its CO₂ emissions.

Partnership with ADNOC allows us to accumulate up to 800 kt of CO₂/year as part of Carbon Capture Utilization and Storage (CCUS).

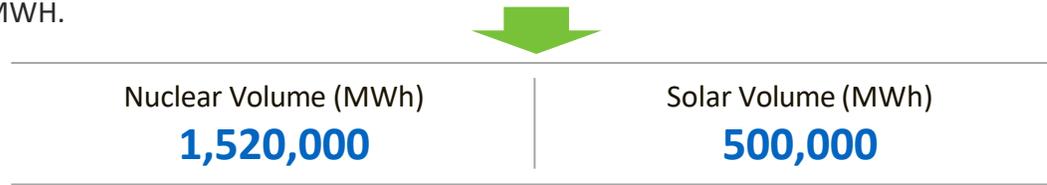
This way around 45% of CO₂ generated from Direct Reduction Plants is captured.

CO₂ injected into Bab and Rumaitha oil wells for Enhanced Oil Recovery

... Actively implementing an industry-leading sustainability program

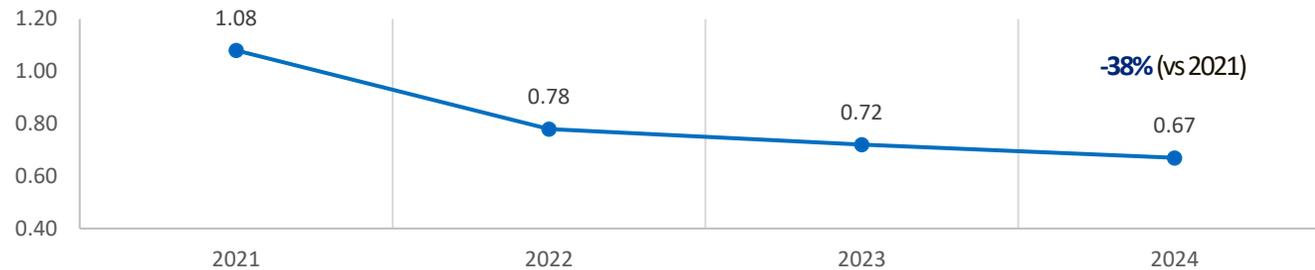
EMSTEEL is constantly working to deliver on its sustainability commitment. In 2022 we **reduced Scope 1&2 emissions from our steel business by 35% YoY.**

This was partially driven by **securing clean energy from solar and nuclear sources** totalling 2 million MWH.

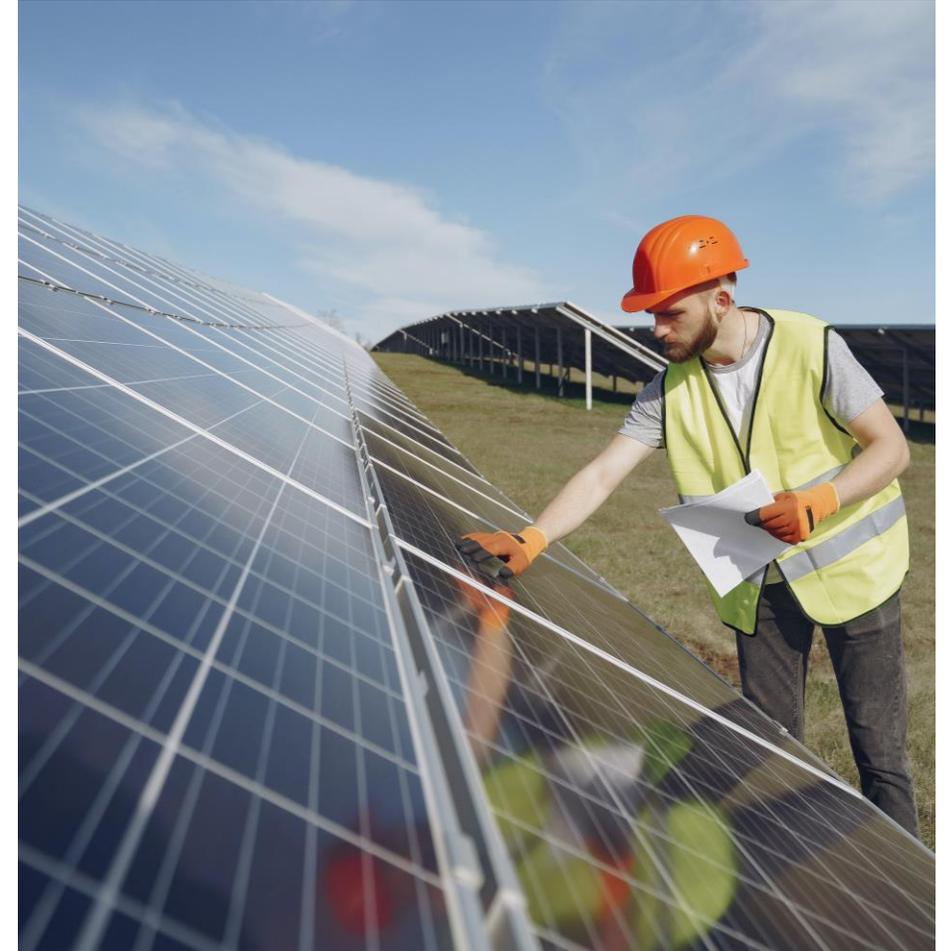


EMSTEEL // Sum of Scope 1&2 carbon emissions in steel business

tCO₂e/tonne of crude steel



2 million MWH represent more than 80% of EMSTEEL's electricity consumption, contributing to the overall emissions reduction from our operations.



... and well positioned for CO₂-conscious market

On the **demand side**, there is growing momentum in CO₂-related initiatives led by steel buyer coalitions, such as SteelZero in EU.



- SteelZero members commit to **procure 100% net zero steel by 2050**; Interim commitment - 50% responsibly produced steel by 2030.
- This sends a strong signal to steelmakers that there's an immediate commercial appetite for decarbonized steel products.

There is a **regulatory trend** to report and price GHG emissions at the border of large economic regions – main example CBAM in EU

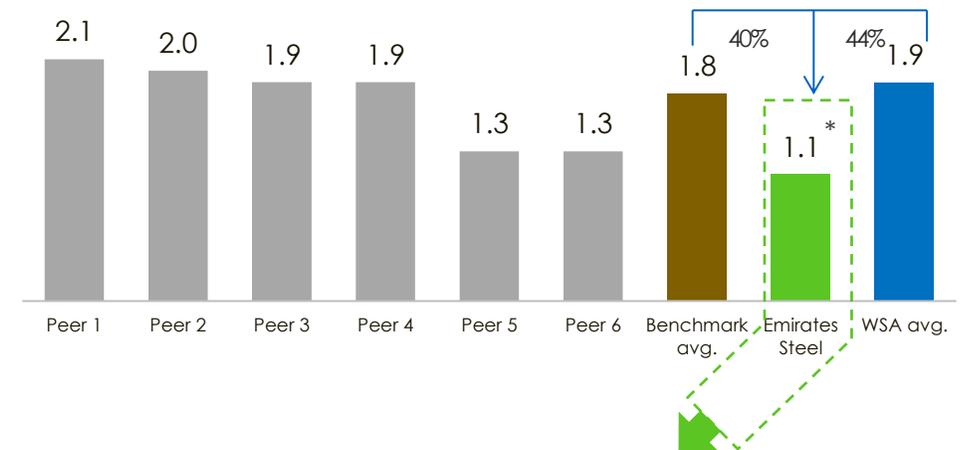
Objective	Mirror EU carbon tax (EU ETS) to avoid the risk of carbon leakage (i.e. European companies moving production to countries with no climate policies)
Operation	Companies importing goods to the EU will have to purchase CBAM certificates to cover emissions (Scope 1&2) embedded in products
Timeline	<p><u>2023 - 2026:</u> Reporting obligation but no financial adjustment</p> <p>→ <u>Starting 2026:</u> CBAM is gradually phased in</p>
Price	<p>Estimated equivalent carbon price for domestic and imported production (i.e. CBAM price = EU ETS price):</p> <p>Until 2030: €60 to €100/tCO₂ / By 2050: up to €200/tCO₂**</p>

EMSTEEL is operating state-of-art, low-carbon-footprint production facilities based on direct-reduced iron (DRI)



EMSTEEL's corporate carbon intensity is approximately **40% lower than benchmark average, and 44% below World Steel Association average**

Sum of Scope 1&2 carbon emissions for steel making activities ***
tCO₂e/tonne of crude steel



Low CO₂ footprint is a competitive advantage and can drive growth of EMSTEEL profitability

* Emirates Steel Scope 1&2 carbon emissions don't include effect from clean energy certificates. If accounted for – the ratio would be 0,72 as of 2023

** According to various institutions (European Commission, International Energy Agency; Bloomberg, etc.

*** Peer Group includes: Posco, Thyssenkrupp, Tata Steel, Arcelor Mittal, SSAB and Qatar Steel; Sources: peer group assessment from the companies' CDP Climate change 2020 and companies' reports 2019-2020

Market Context

Long-term factors influencing steel demand

Major trends in the global steel industry



Global DRI production - 2024
144 Mtpa (+3.5%, YoY)*

* Data from World Steel Association

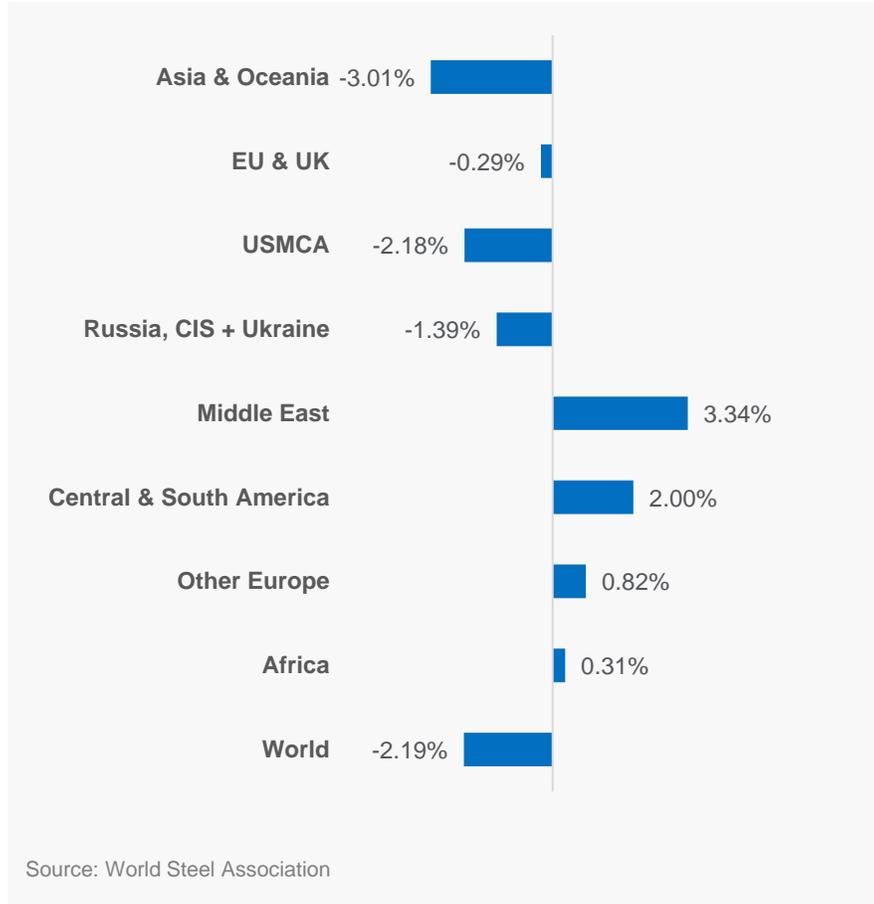
UAE Growth Strategy

The UAE steel and cement demand is supported by nation-wide strategies:

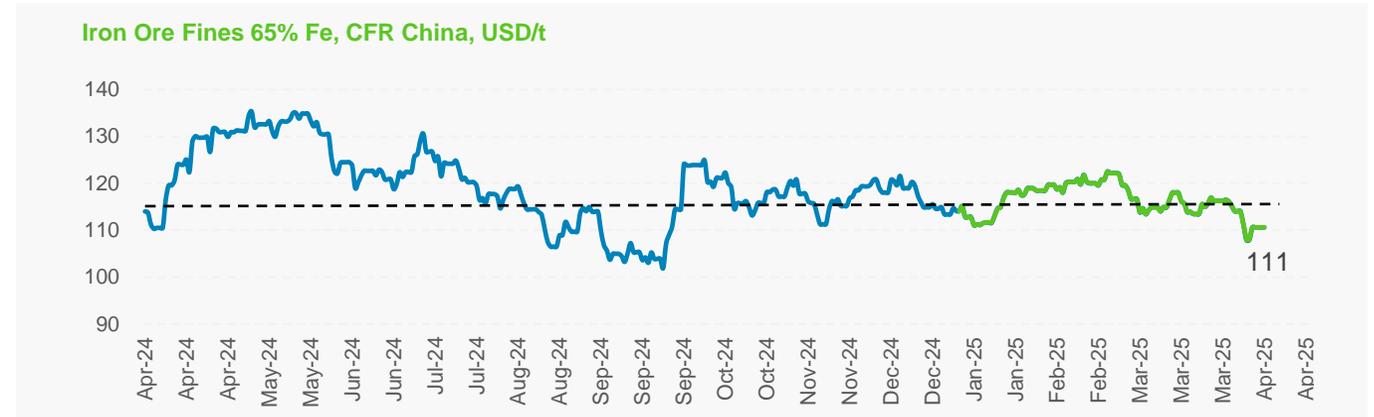
- **“We, the UAE 2031” Vision**
 - Double the country’s gross domestic product (GDP) from AED 1.49 trillion to AED 3 trillion
 - Generate AED 800 billion in non-oil exports
 - Raise the value of the UAE’s foreign trade to AED 4 trillion
- **Operation 300 Billion:** UAE’s strategy to raise industrial contribution to GDP from AED 133 billion to AED 300 billion by 2031

Global market conditions impacting marginality of steel producers

Global Steel Demand in 2024 has decreased by ▼-2.2%, YoY



Global Iron Ore prices remained relatively elevated over the last twelve month, including Q1'25, exerting consistent cost pressure on steel producers

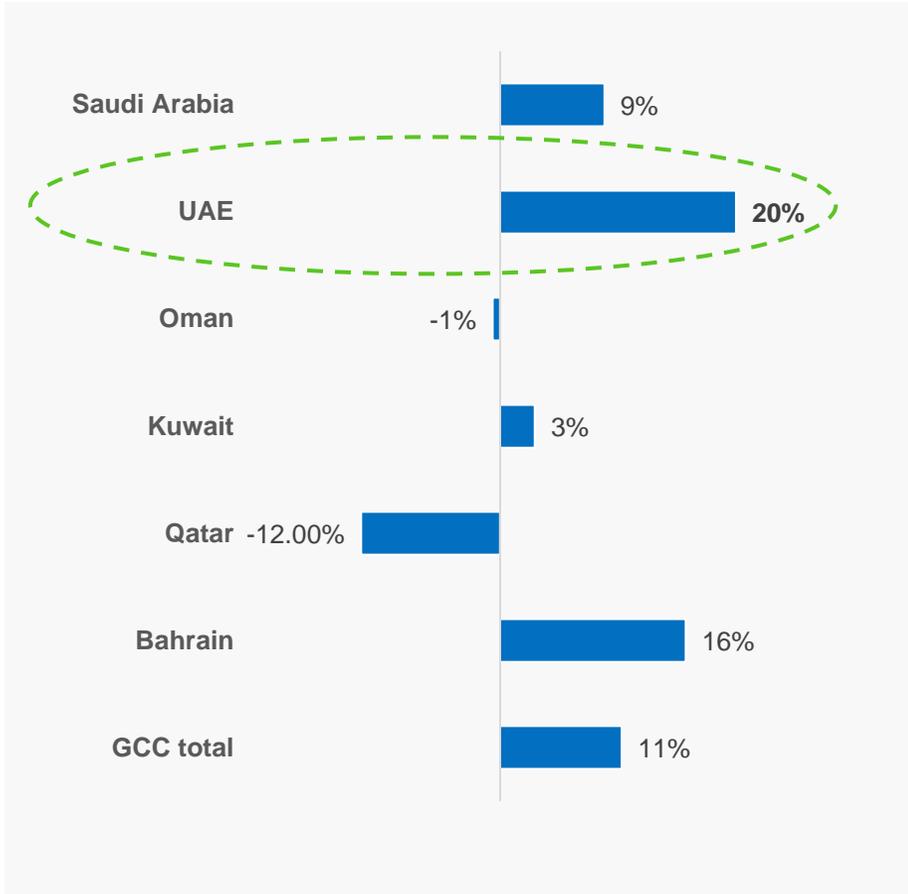


Sales prices for finished long steel products in international markets came under pressure due to weakening steel demand and competitively priced exports from China

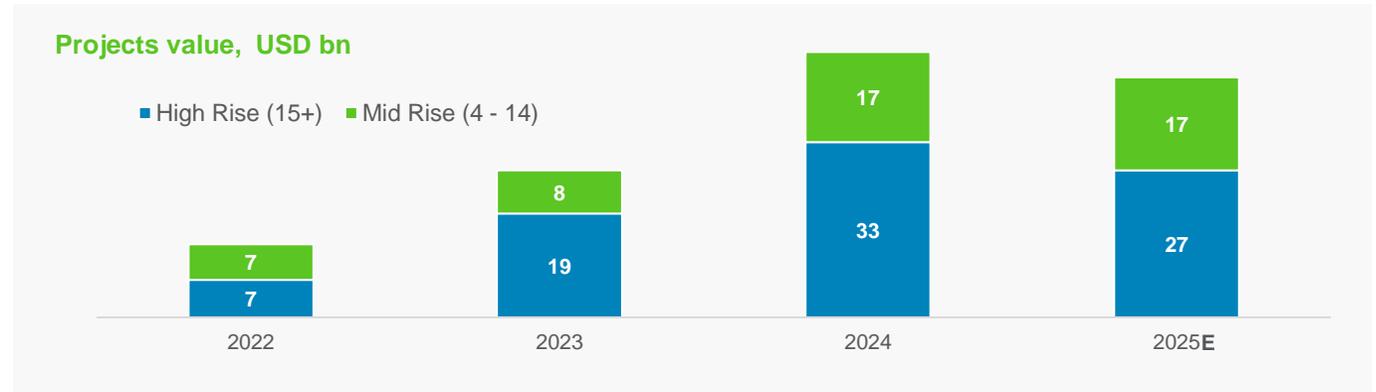


UAE steel market outperforms within GCC supported by strong pipeline of projects

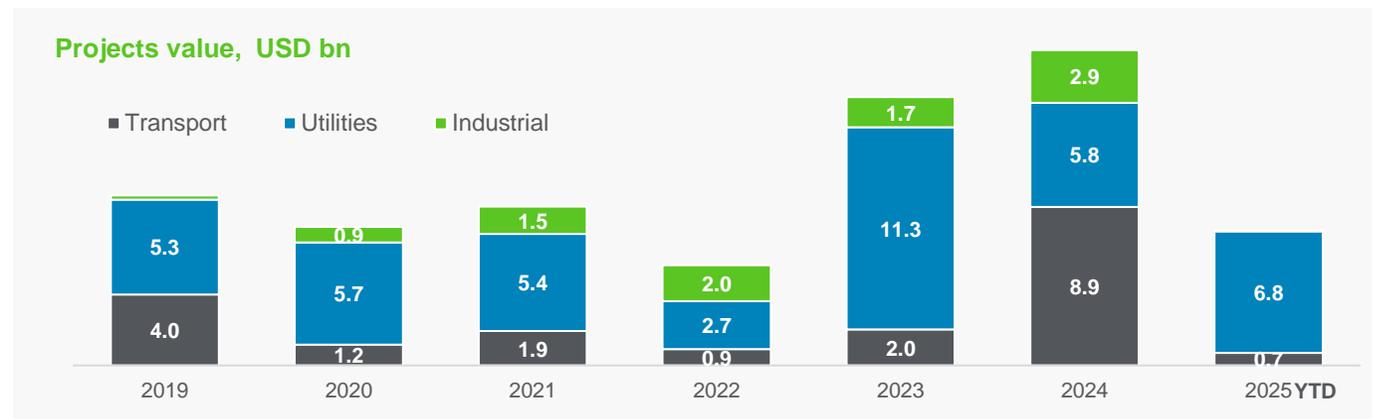
GCC Steel Demand in 2024 has increased by **▲+11%**, YoY with UAE leading the growth at **▲+20%**, YoY



Buildings' construction projects awards in the UAE have reached USD 50bn in 2024



Infrastructure and industrial projects awards of USD 18bn in the UAE during 2024 should further support steel consumption in future periods



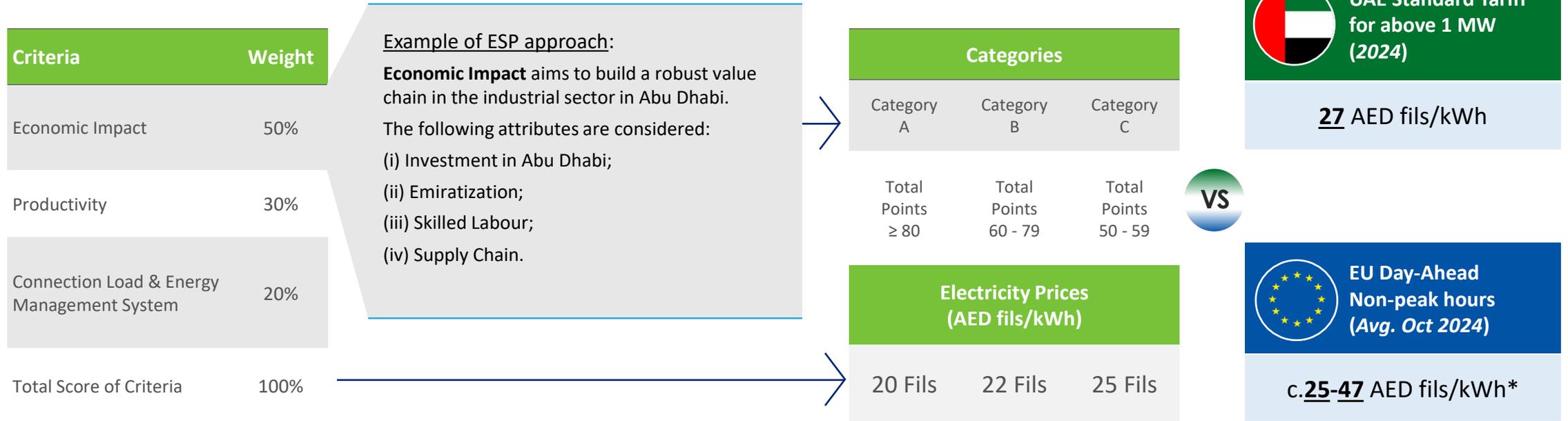
Source: Aldar Properties, BNC

UAE Energy Support Program (“ESP”)

According to World Steel Association energy (incl. electricity) constitutes a significant portion of the cost of steel production, from 20% to 40%.

In this context it’s important that Abu Dhabi Government incentivizes manufacturing entities, that suffice certain criteria with competitive electricity tariffs.

Incentivized Tariff per ESP



* Data from EMBER / European Wholesale Electricity Price Data, October 2024. Applied AED/EUR exchange rate as of 06.12.2024. Range is presented “from France (lowest) to Italy (highest); Germany was at c. 34 AED fils/kWh



Growth Strategy

EMSTEEL's Strategy to succeed in an evolving market

Vision



To be the **region's steel and building materials champion**



To **deliver value** to our shareholders



To **invest in innovation** enhancing customers possibilities



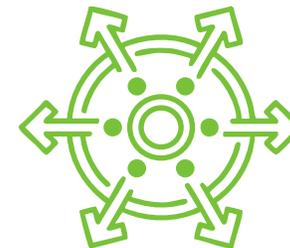
To lead from the front towards a **sustainable and circular economy**

Strategy Pillars

Maximize Current Business Value



Diversify Product Portfolio



Integrated Iron Ore Value Chain



Maximize Current Business Value and Diversify Product Portfolio

Asset Enhancement Programme 2025 - 2027

OVERVIEW

- Total CapEx: **AED 625 million**
- Context: Aligns with **UAE's Operation 300bn**
- Objective: accelerate **shift to high-value steel products**

STRATEGIC IMPACT

- Positions EMSTEEL as **regional leader in premium steel**
- Expands client base & **drives EBITDA growth**

Phase 1



- Completion scheduled for: **Q2 2026**
- Upgrading **existing rolling mills**
- Enabling production of **high-strength rebars**
- Introducing QST & TMCP technologies to produce **heavy sections with enhanced resilience**

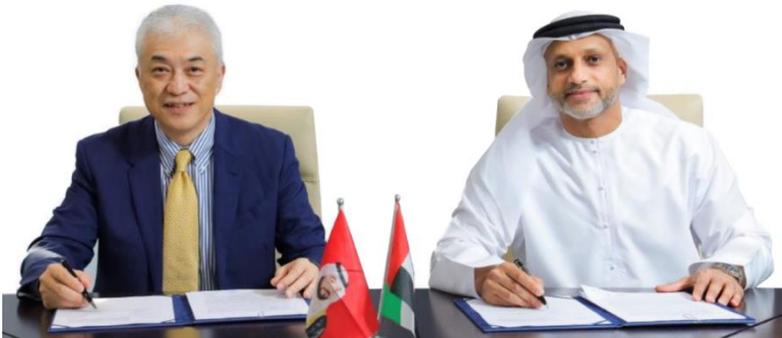
Phase 2



- Completion scheduled for: **H1 2027**
- Upgrading **existing steel melt shop**
- **New wire rod outlet** (Capacity: **500 KTPA**)
- Will enable production of **Value-Added Wire Rods** and **High Tensile Rebar in Coil**

Integrated Iron ore Value Chain

EMSTEEL has partnered with ITOCHU and JFE Steel to carry out feasibility studies to consider the construction of a ferrous raw material production facility in Abu Dhabi.



Envisioned split of mandates

ITOCHU: sourcing high-grade iron ore through established trading network

EMSTEEL: production of ferrous raw material, capitalizing on vast DRI and CCUS experience

(potential future transition from gas to hydrogen)

JFE Steel: conversion of the ferrous raw material into steel in Japan



JFE Steel Corporation

TYO : 8001

Subsidiary of JFE Holdings, Inc. – TYO: 5411

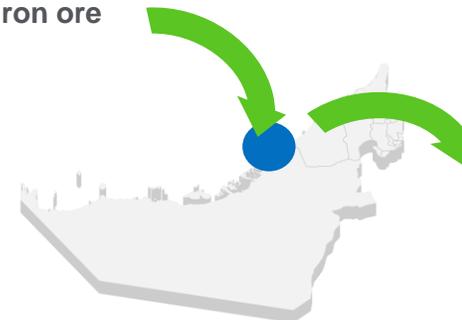
One of the largest Japanese corporations engaged in trading, textiles, machinery, metals & mining, etc.

Leading steel manufacturer in Japan, producing wide range of steel products including sheets, pipes, tubes & bars, etc.

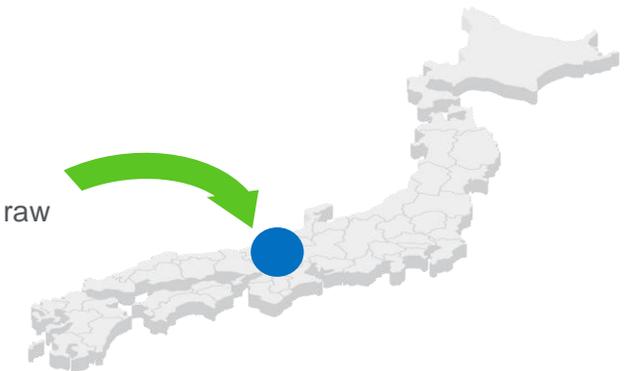
Employees: ~100k (incl. subsidiaries)

Employees: ~46k

High-grade iron ore



Ferrous raw material



UAE

Japan

Board and Executive Committee

Board of Directors



**Hamad Abdulla
Mohamed AlShorafa
Al Hammadi**

CHAIRMAN

Al Hammadi brings a wealth of expertise in the energy, utilities, and industrial sectors to the Group.

At ADQ, he manages a \$70bn portfolio, including flagship companies such as TAQA and ENEC.

Prior to this, Al Hammadi managed a \$220bn portfolio of more than 90 companies at Mubadala.



**Ahmed Ali Mohamed
Ali Alshamsi**

VICE CHAIRMAN

Alshamsi has over a decade of experience across the energy and utilities sectors,

having held key positions at TAQA and Mubadala Investment Company.

His work spans high-profile projects, including HVDC subseatransmission systems and international renewable energy developments.



**Eng. Saeed Ghumran
Al Remeithi**

**BOARD MEMBER
GROUP CEO**

Al Remeithi has extensive experience spanning over 21 years in the steel manufacturing sector.

He has been instrumental in growing EMSTEEL's manufacturing capability & product range, expanding exports to 60+ global markets.

Al Remeithi started his career at SENAAT before joining Emirates Steel in 2002.



**Abdulaziz Abdulla Ismail
Mohamed Al Hajri**

BOARD MEMBER

Al Hajri has over 34 years of experience with ADNOC and its group of companies.

Al Hajri also currently serves as a board member at ADNOC Distribution, Adnoc Refining and Borouge.



Nabeel Qadir

BOARD MEMBER

Qadir is a seasoned investment professional with 20 years of buy-side and sell-side experience in portfolio management,

He has further been involved in M&A and equity research across North America, Europe, MENA & Asia.



**Fatima Abdulla
Mohamed Sharif
Abdulla Al Fahim**

BOARD MEMBER

Al Fahim has an extensive experience within the metals and mining sector.

She is currently the senior vice president within the industrials team at the Mubadala Investment Company.



**Farah Abdulla
Mohamed Ali
Al Mazrui**

BOARD MEMBER

Al Mazrui is currently the Head of Investments for Aliph Capital, where she is focused on helping traditional businesses transition to a tech enabled future.

She has over a decade of experience in the asset management industry at several leading investment institutions.

Executive Committee



**Eng. Saeed Ghumran
Al Remeithi**
GROUP CEO

Al Remeithi has over 21 years of experience in the steel manufacturing sector.

He has been instrumental in growing EMSTEEL's manufacturing capability and product range while expanding its exports to 70+ global markets.

Al Remeithi started his career at SENAAT before joining Emirates Steel in 2002.



Mark Tonkens
GROUP CFO

Tonkens has over 30 years' experience primarily in CFO roles at both divisional and group levels

Tonkens' most recent experience in the cyclical, asset-intensive petrochemical industry showcased his propensity for value creation through innovation, diversification, competitive input costs and growth both organically and through mergers and acquisitions (M&A), including executing a highly successful mega joint venture in the Middle East.



**Eng. Saeed Khalfan
Al Ghafri**
CEO, EMIRATES STEEL

Al Ghafri brings to his role more than 18 years of industry and executive managerial experience.

Prior to this, Al Ghafri was Chief Commercial Officer and Chief Supply Chain & Planning Officer and has been a key player in Emirates Steel's establishment and key expansion projects.



Hugo Losada
CEO, EMIRATES CEMENT

With over 21 years of experience, Hugo has a strong track record of delivering savings and driving growth for industrial companies across four continents.

Hugo successfully completed operational and financial turnarounds for Hume Cement Industries and its Cement and Precast concrete subsidiaries. Before that he held senior positions at CEMEX Group.



**Eng. Hassan Salim
Shashaa**
**GROUP CHIEF
PROJECT OFFICER**

Shashaa brings 41 years in the heavy industry sector experience and holds proven expertise in leading production related functions.

He is an expert in building teams to achieve set targets and ensure sustainability.



Vladimir Arshinov
**GROUP CHIEF
TECHNOLOGY OFFICER**

Arshinov has two decades of experience in IT and digital transformation spanning over seven countries.

Former Chief Information Officer of SIJ in Slovenia.

Previously led digitization and supply chain management at United Metallurgical Company in Moscow, Russia.

Financial and Operational Highlights

Overview of FY 2024 results

Revenue
AED **8.3bn**
-6% YoY*

This decrease in Revenue is due to various factors, including fluctuations in global steel prices, increased competition, and changing demand trends driven by economic uncertainties in key markets.

EBITDA
AED **892m**
-29% YoY

EMSTEEL's FY24 profitability was supported by a significant improvement of the Group's EBITDA during the fourth quarter of the year, amounting to AED 247 million, up 81% compared to the third quarter of 2024.

Net Profit (After Tax)
AED **392m**

EMSTEEL's profitability margins have been affected by an increase in low-priced Chinese steel exports, which have directly or indirectly impacted prices in several of the Group's key markets, including the GCC and important export destinations like Europe and the US.

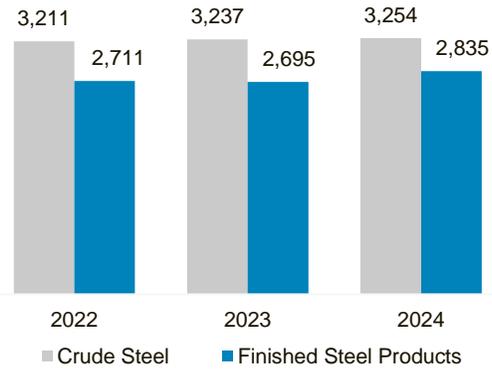
Cash in hand
AED **823m**
+93% YoY

The Group further strengthened its balance sheet, realizing a positive net cash generation of AED 401 million resulting in a balance sheet free of net debt.

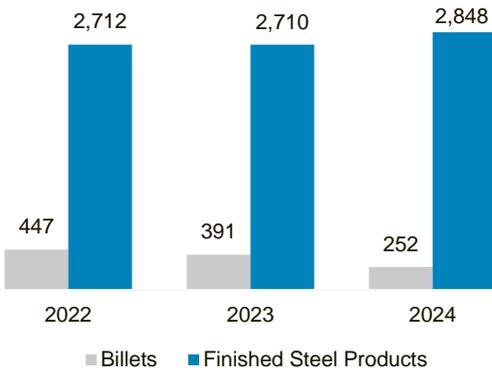
FY 2024 Operational & Financial results

Steel

Production, kt

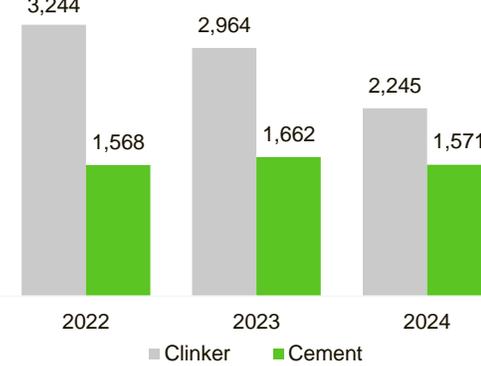


Sales, kt

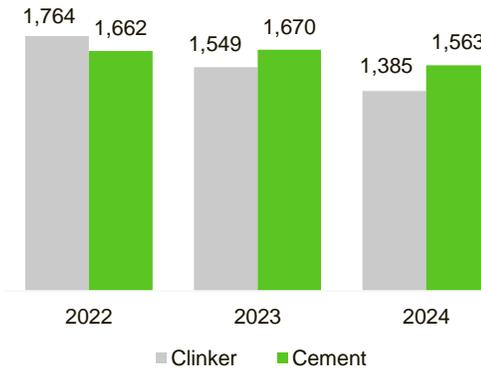


Cement & Clinker

Production, kt

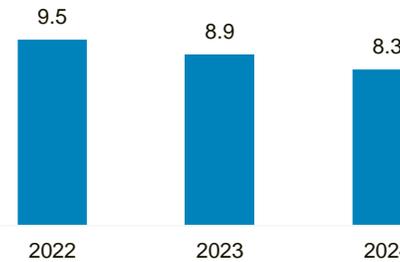


Sales, kt

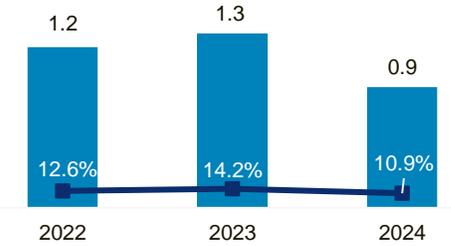


Financial Results

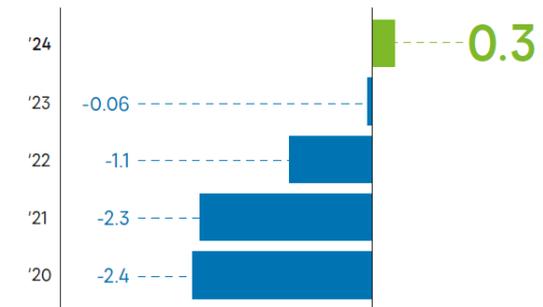
Revenue, AED bn



EBITDA (AED mn) & EBITDA Margin



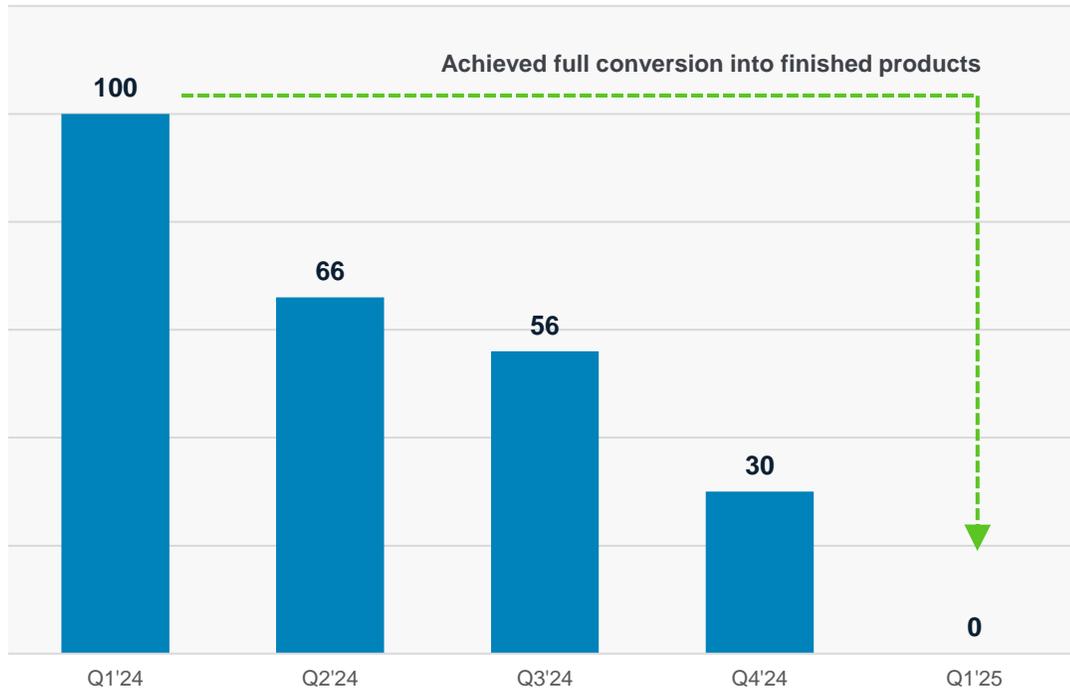
Net bank cash / (debt), AED bn



EMSTEEL strong operational performance in Q1'25

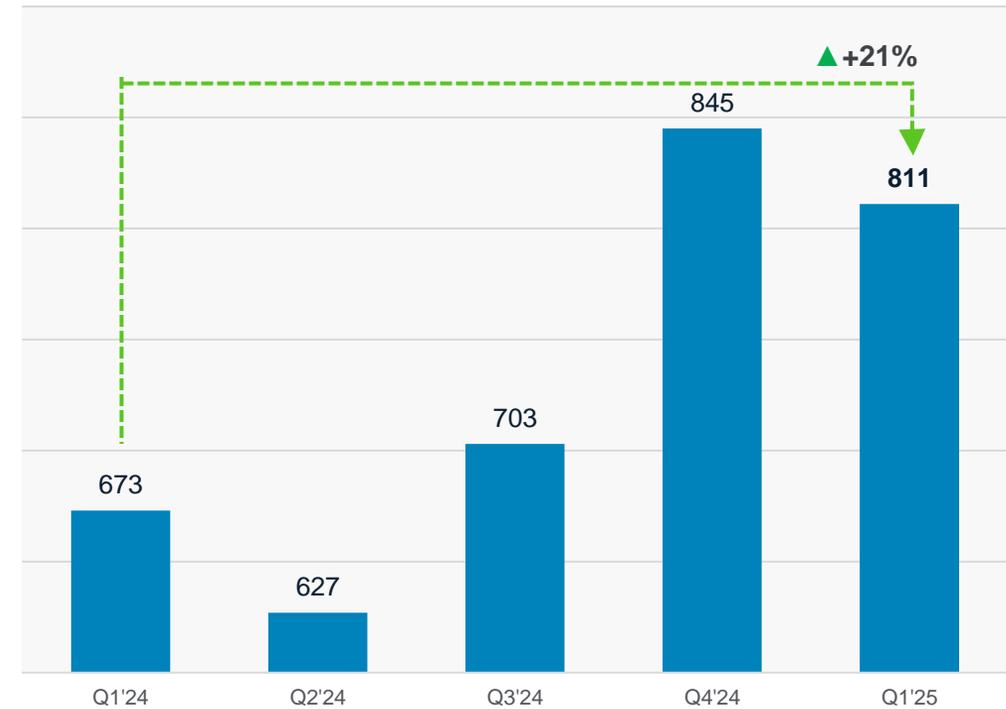
In Q1'24, EMSTEEL sold c. 100 kt of semi-finished products (billets).
In Q1'25, strong UAE demand and optimized capacity utilization enabled full conversion into finished products to better serve our customers

Sales of billets, kt



In Q1' 25 EMSTEEL increased sales of finished steel products by **▲+21%**, YoY, supported by continued momentum in UAE construction activity and effective market positioning

Sales of finished steel products, kt

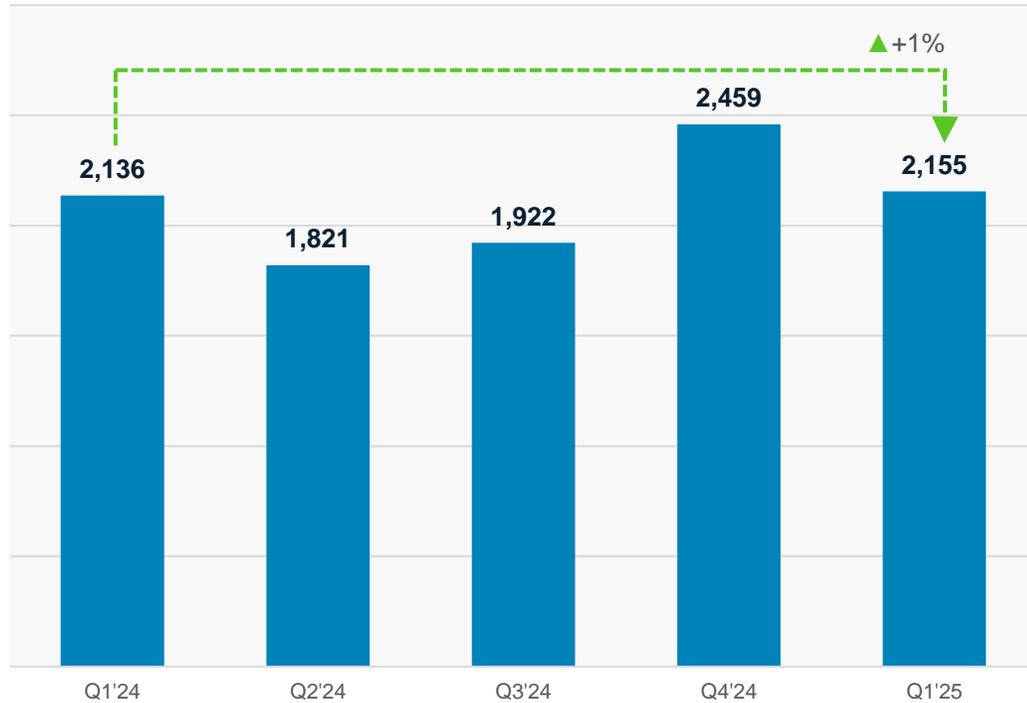


Resilient financial results supported by improved capacity utilization

Despite decrease of average steel prices (▼-6% YoY) and the impact from negligible sales of billets in Q1'25 (10% of Revenue in Q1'24), in Q1'25 EMSTEEL Revenue increased by ▲+1%

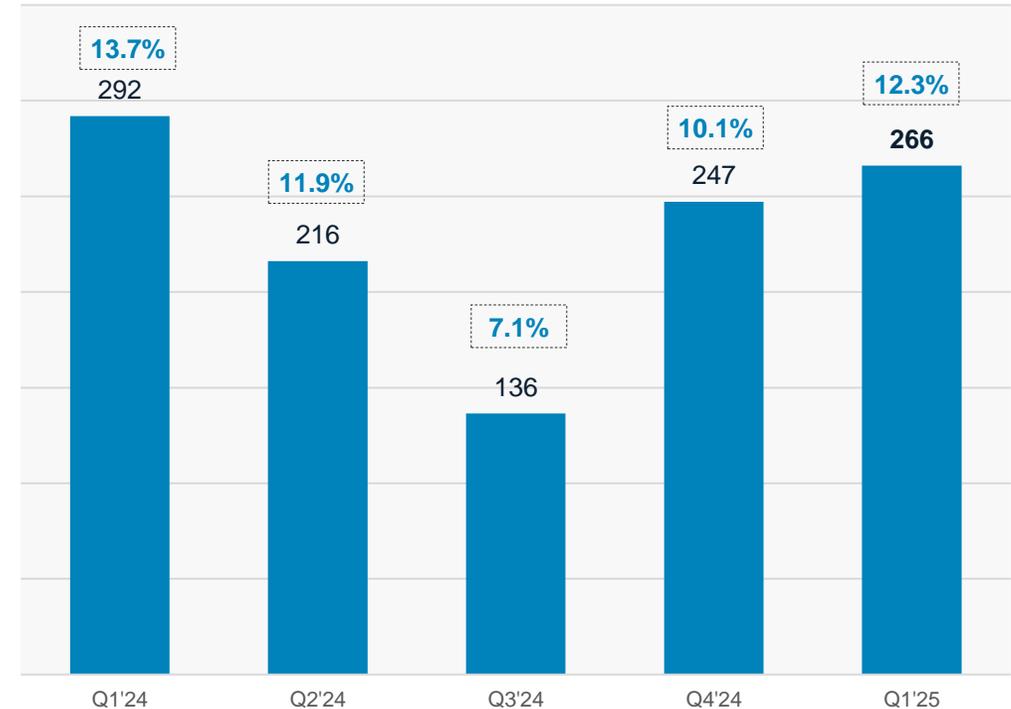
EBITDA reached AED 266 million, with an EBITDA margin of 12.3%. Margin pressure from lower steel sales prices was in part offset by increased conversion to finished steel products

Revenue, AED m



EBITDA, AED m

EBITDA margin, %



Appendix

Consolidated statement of financial position

Assets, AED mn	Q1 2025	2024	2023
Non-current assets			
PPE	6,340	6,416	6,564
Goodwill	-	-	-
Right-of-use assets	208	214	229
Other non-current assets	64	57	116
Total non-current assets	6,612	6,687	6,909
Current assets			
Inventories	1,747	1,543	1,935
Trade and other receivables	2,229	2,069	1,759
Cash and cash equivalents	858	797	426
Total current assets	5,020	4,572	4,120
Total assets	11,632	11,259	11,029

Equity and Liabilities	Q1 2025	2024	2023
Net equity	8,806	8,720	8,332
Non-current liabilities			
Lease liabilities	321	321	333
Provision for end of service	154	155	201
Bank borrowings	-	-	-
Total non-current liabilities	493	495	534
Current liabilities			
Bank borrowings	763	486	489
Trade and other payables	1,473	1,483	1,662
Loan from a related party	-	-	-
Lease liabilities	15	12	11
Total current liabilities	2,332	2,043	2,163
Total liabilities	2,825	2,538	2,696
Total equity and liabilities	11,632	11,259	11,029

Consolidated statement of profit or loss

AED mn	Q1 2025	Q1 2024	2024	2023
Revenue	2,156	2,136	8,337	8,899
Cost of sales	(1,916)	(1,884)	(7,578)	(7,802)
Gross profit	240	252	760	1,097
Selling and distribution expenses	(11)	(14)	(44)	(54)
General and administrative expenses	(120)	(89)	(417)	(390)
Other income	7	-	3	29
Share of profit/(loss) of associates	-	5	-	16
Finance income	4	2	14	8
Finance costs	(25)	(16)	(96)	(105)
Profit/(loss) for the period before tax	94	140	432	602
Income tax expense	(8)	(12)	(39)	N/A
Profit/(loss) after tax	86	128	392	602
<i>Basic and diluted profit/(loss) per share (AED)</i>	<i>0.013</i>	<i>0.019</i>	<i>0.057</i>	<i>0.088</i>

Consolidated statement of cash flows

AED mn	Q1 2025	Q1 2024	2024	2023
Cash flows from operating activities				
Operating cash flows before movements in working capital	278	304	867	1,372
Net movements in working capital	(397)	(103)	(174)	84
Cash generated from operations	(120)	201	693	1,456
Employees' end of service benefit paid	(6)	(6)	(20)	(10)
Net cash generated from operating activities	(125)	194	673	1,446
Net cash used in investing activities	(73)	32	(171)	(158)
Net cash used in financing activities	256	79	(105)	(1,219)
Net increase in cash and cash equivalents	57	306	397	69

THANK YOU

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