

EMSTEEL

Q1 2026

Financial Results

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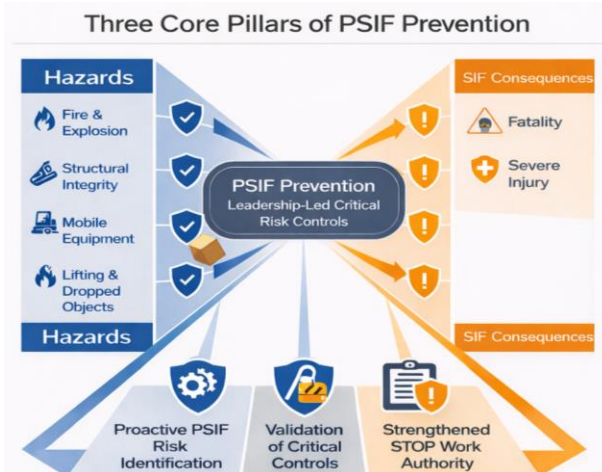
HSE and ESG

Focus on HSE Delivers Tangible Results

EMSTEEL continuously implements measures to further enhance Health and Safety standards across the Group.

The following are some of the key initiatives the Company focused on during Q1'26:

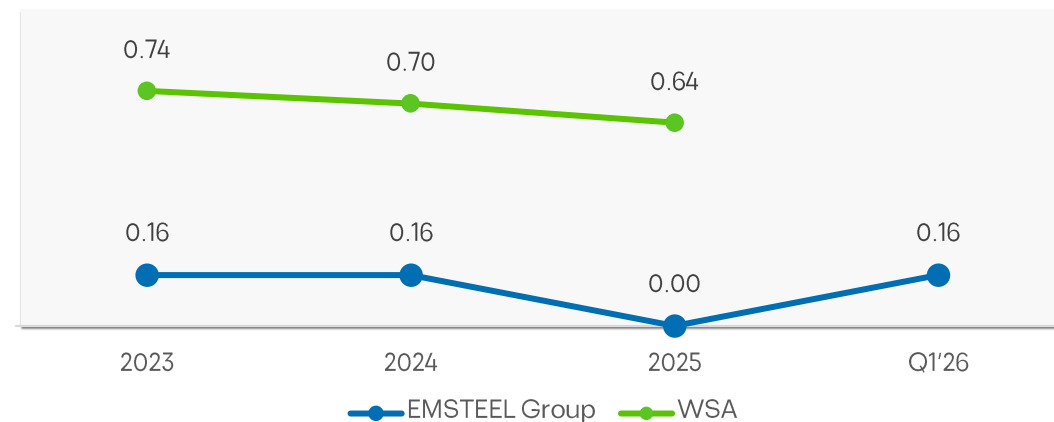
- Conducted Frontline Leadership Safety Culture Workshop;
- HSE Championship Award Ceremony conducted to recognize safety excellence;
- Implemented Blowdown Water (RMs) Reuse initiative for irrigation; saving ~300,000 AED/year;
- Introduction of the **PSIF* determination logic**;
- Launched the Focused Inspection Checklist Program;
- ISO 45001, ISO 14001, and ISO 9001 audits completed;
- Developed digital HSSE initiatives roadmap;
- EMSTEEL has also launched an **HSE AI Advisor portal** to support smarter and faster safety management system.



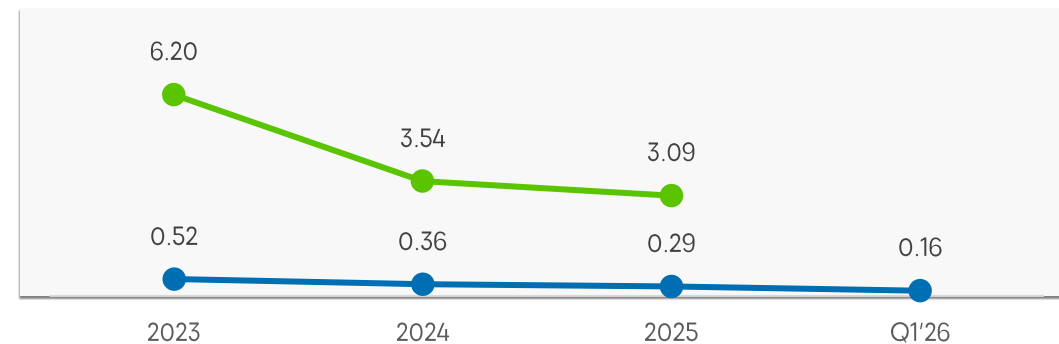
HSE AI ADVISOR

As of Q1'26, EMSTEEL Group achieved a Lost-Time Injury Frequency Rate (LTIFR) of **0.16** and a Total Recordable Injury Frequency Rate (TRIFR) of **0.16** – both significantly below World Steel Association (WSA) benchmarks.

LTIFR



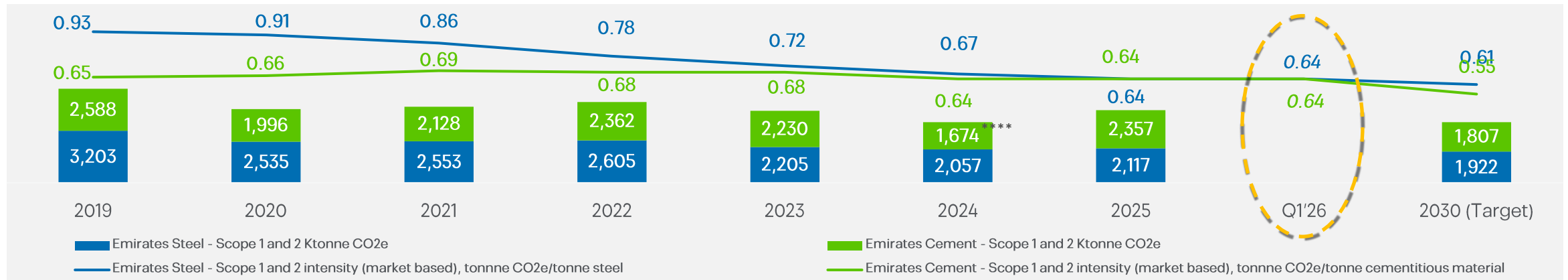
TRIFR



* PSIF - Personal Serious Injury Frequency

Q1'26 - On track to achieve Decarbonization targets

Group Emissions***



2026 Sustainability Champion



In Q1'26, EMSTEEL was recognized by World Steel as a Sustainability Champion, becoming the first steel company in the MENA region to receive this distinction for three consecutive years.

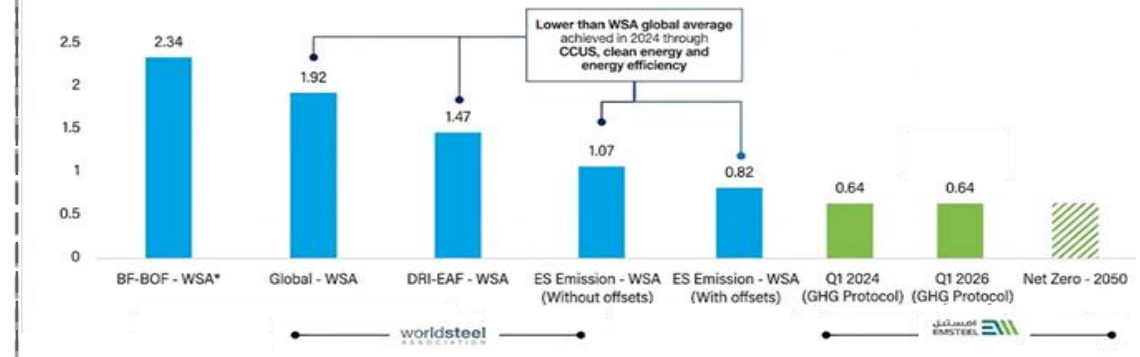
Estidamah AI



In Q1'26 EMSTEEL launched Estidamah AI, new in-house AI assistant, designed to give employees quick access to ESG and sustainability insights using EMSTEEL's internal ESG Documentation.

CBAM

From Jan'26, the EU CBAM entered its operational phase – EMSTEEL is well positioned to benefit from the new framework with CO2 emissions below peers.



*** The emission numbers for Q1'26 are not yet verified. All emission data are ordinarily verified at the end of the year by a Third Party, during Annual GHG verification process.
 **** At Emirates Cement we have observed CO2e emissions drop in 2024, primarily due to scheduled shutdowns.

* WSA: World Steel Association as per 2024 statistical data
 ** 0.637 tCO2/t steel emission intensity achieved in 2025

Market Context

Raw material prices remained relatively stable during Q1'26, until the geopolitical conflict triggered volatility across global steel markets

Global Iron Ore prices in Q1'26 were volatile:

- In Jan-Feb'26 Iron Ore prices decreased by approximately ▼ -7% vs 31 Dec 2025, affected by seasonal demand slowdown in China.
- In Mar they jumped back (up to ▲ +13%), pushed by geopolitical conflict.

During Q1'26 DR pellet premium stood at USD 42/t, on par with average level of FY'25.

IOP cost for steel producers in GCC has increased due to disruption of logistics via Hormuz Strait.

Scrap prices in Turkey have been rising since Nov'25 and were further impacted by the regional conflict and the associated increase in energy costs.

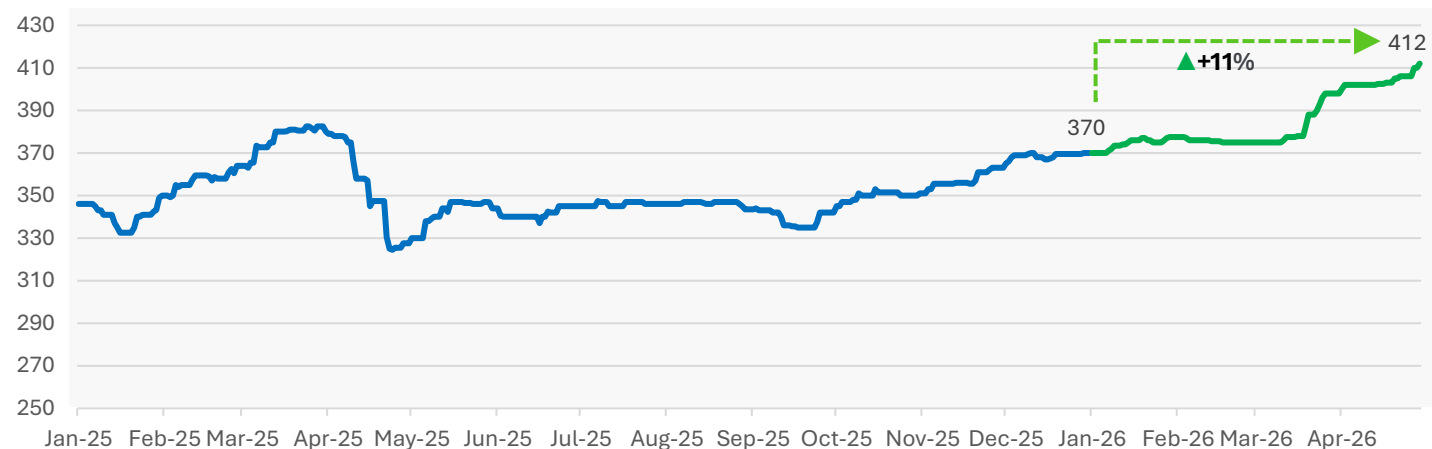
Elevated scrap prices during Q1'26 and Apr'26 (30 Apr'26: ▲ +11% vs 31 Dec'25) increased cost pressure across the industry and supported finished steel product prices.

At the same time, domestic UAE scrap prices remained subdued from Mar'26 due to export constraints.

Iron Ore Fines 65% Fe, CFR China, USD/t



Scrap, SFR Turkey, USD/t



Increase in raw material costs and supply disruptions in Mar'26 led to higher prices for semi-finished and finished steel products

Billet prices increased by approximately ▲ +10% through Q1'26. Prices remained broadly stable until Mar'26 when growing energy costs and disruption of semi-finished products supply from Iran led to a sharp appreciation.

In Apr'26 billet prices stabilized at around USD 490-500/t.

Billet availability and lead times for GCC producers have been negatively impacted by logistics constraints in the Strait of Hormuz.

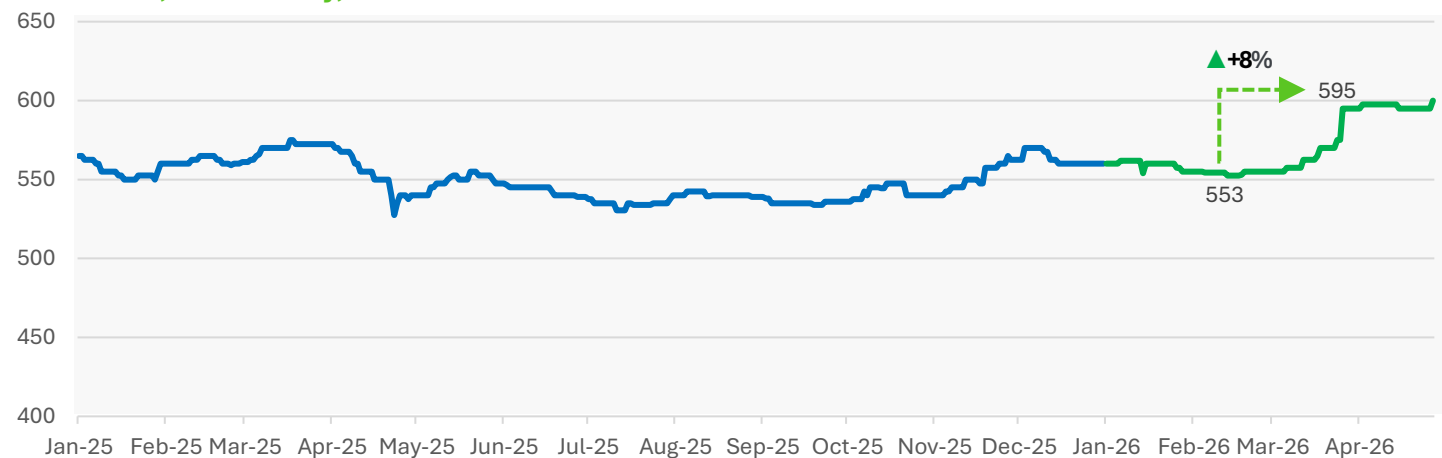
Reflecting broader global trends in finished steel product pricing, rebar prices in Turkey remained broadly stable during Q1'26.

Only in Apr'26, amid combined cost pressure from surging scrap and billet prices and continued profit margin squeeze of steel producers, did Turkish rebar prices increase sharply by ▲ +8% MoM.

Billet, CFR Southeast Asia, USD/t



Rebar, FOB Turkey, USD/t



UAE steel market: Strong demand in Q1'26; Proactive initiatives announced to address potential conflict-related adverse effects

In Q1'26, UAE steel demand continued to benefit from the momentum of the country's expanding economy, clearly reflected in the performance of the real estate market:

- In Abu Dhabi property market recorded AED 66bn transactions, up ▲+161% YoY;
- In Dubai real estate transactions reached AED 252bn, up ▲+31% YoY.

At the same time, during Mar-May'26, amid concerns over the potential impact of the current geopolitical conflict on the private property sector, the UAE Government announced several measures aimed at mitigating adverse effects on the industry:

- An AED 1bn National Industrial Resilience Fund was approved to support localisation of critical industries and supply-chain resilience;
- Made the National ICV Program mandatory for federal government entities and companies with at least 25% government/federal ownership;
- Expanded identified industrial procurement opportunities to AED 180 bn over the coming decade.

In general, steel demand in the UAE is driven by both real estate and infrastructure development.

The average split of project awards across UAE over the past five years highlights a strong infrastructure pipeline expected to support steel demand in the coming years:

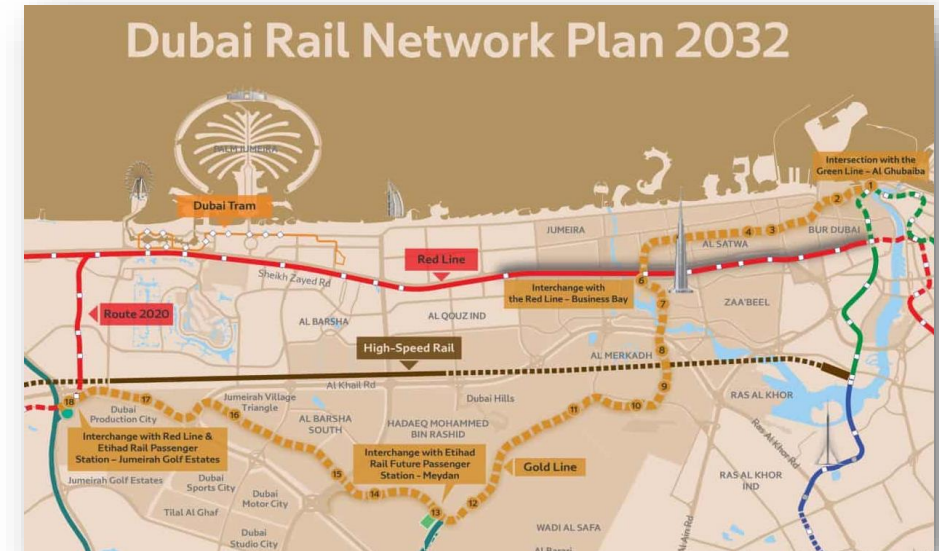
Buildings' construction

~60%

Infrastructure and industrial

~40%

Dubai's new Gold Metro Line*



* Source: RTA

The UAE continues to maintain strong momentum across its infrastructure and development pipeline, with major projects actively under construction. New projects continue to be added, such as Dubai's new 42km Gold Metro Line announced in Apr'26.

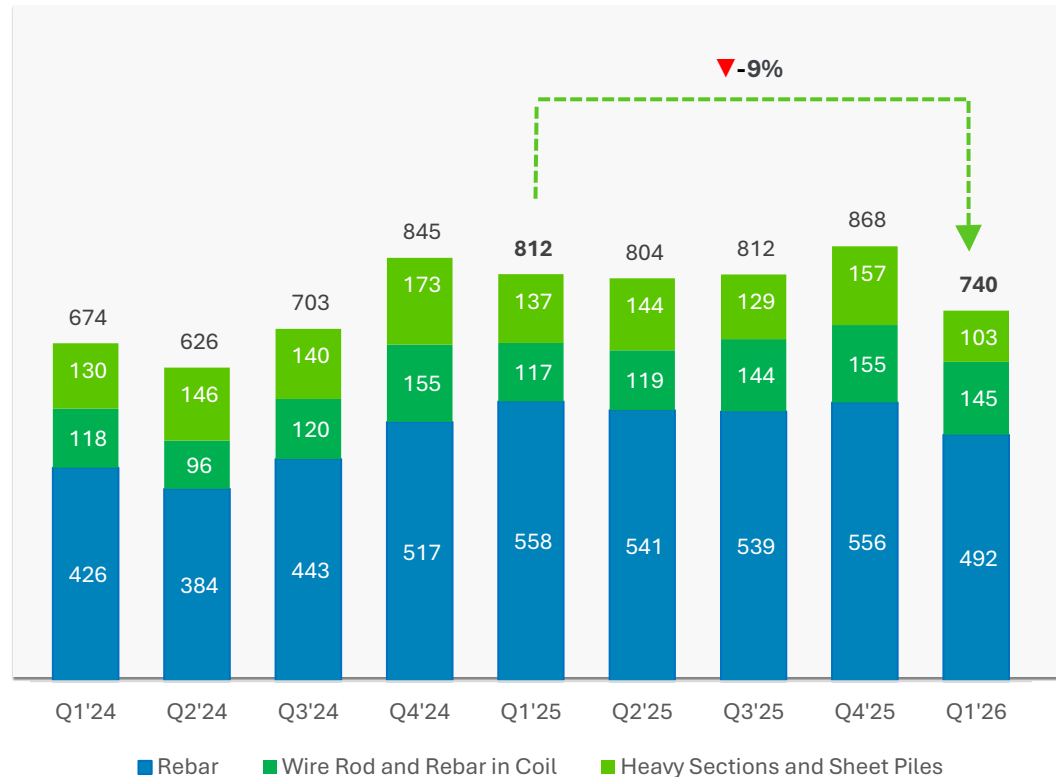
Financial and Operational Highlights

Q1'26 Sales performance: planned maintenance in Steel was balanced by robust Cement results

In Q1'26 sales of finished steel products decreased by ▼-9% YoY. The decrease was primarily attributable to a planned maintenance shutdown of a rolling mill in January 2026.

Total steel sales in Q1'26 reached 768kt (▼-6% YoY), as the Group sold additional 28kt of billets during the period.

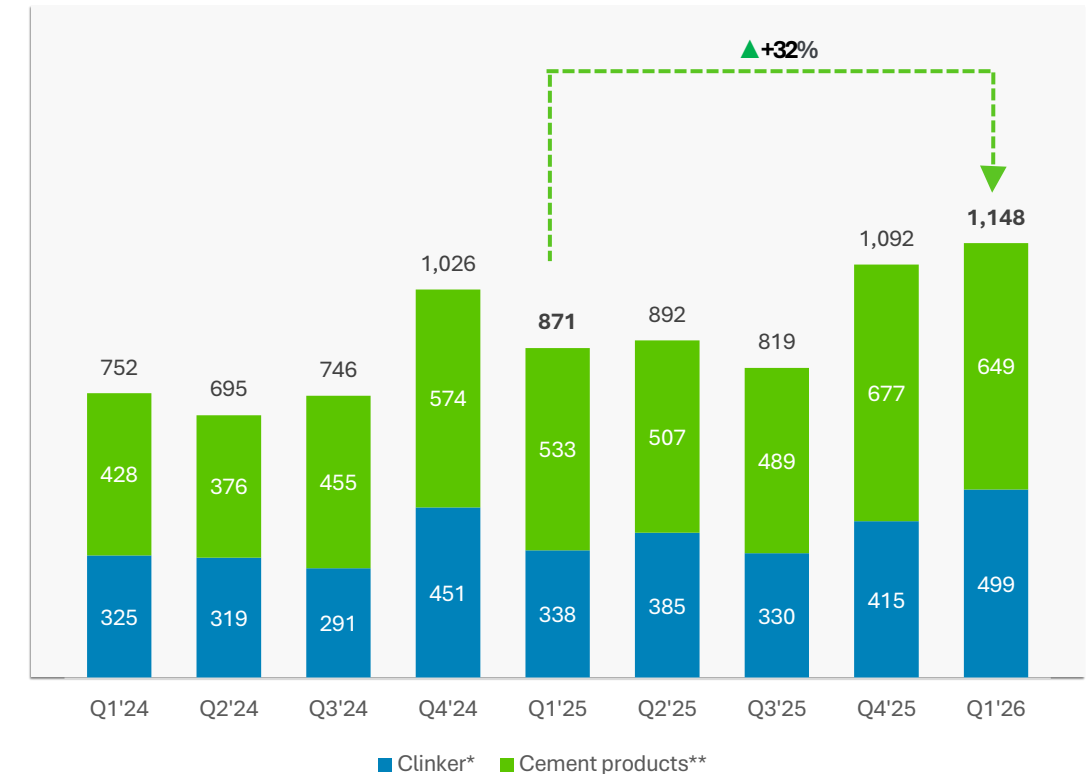
Sales of finished steel products, kt



In Q1'26 EMSTEEL total cement and clinker sales grew by ▲+32% YoY, reaching 1.1 million tonnes, reflecting strong demand and improved operational output during the period.

Clinker sales were up ▲ +47% YoY, and cement products sales grew by ▲ +22% YoY.

Sales of cement and clinker*, kt



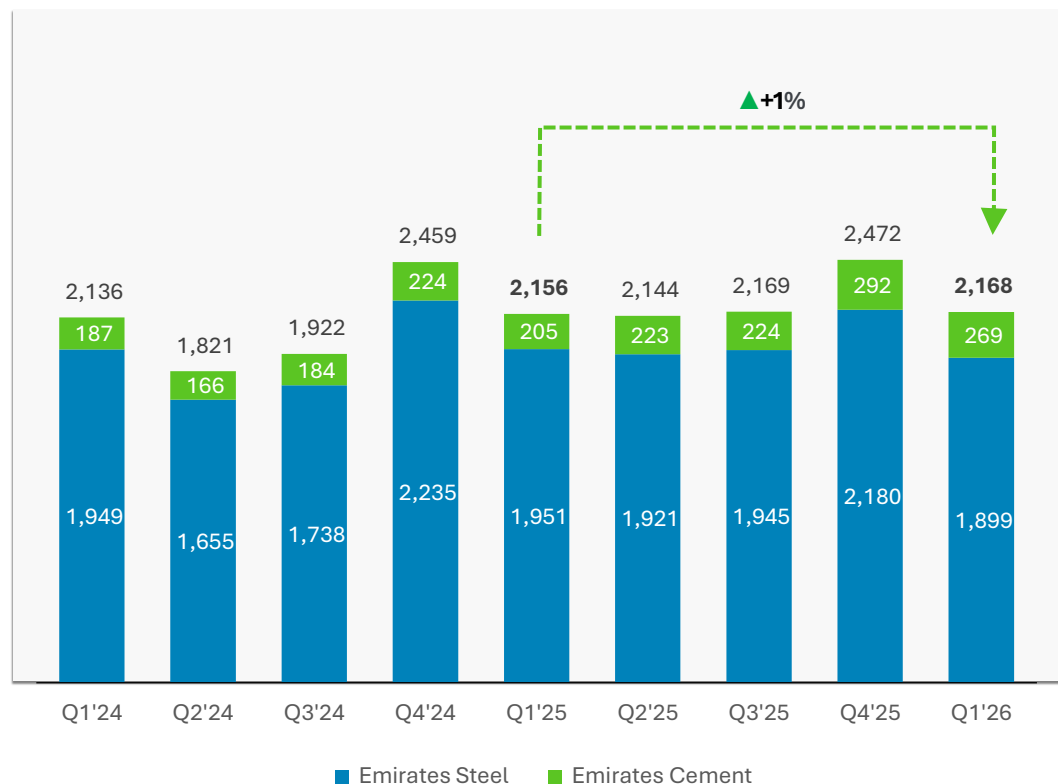
* Clinker constitutes: Clinker OPC and Clinker SRC; **Cement products: Ordinary Portland and Sulphate Resistant Cement (OPC, SRC), Limestone Cement, Slag and Dry Mortar

Q1'26 Financial results: significant EBITDA margin increase supported by Company's initiatives and market environment

In Q1'26 EMSTEEL Revenue was AED 2.2bn, up ▲ +1% YoY.

Higher clinker and cement sales volumes contributed to Emirates Cement division Revenue growth of ▲ +31% YoY. At the same time Emirates Steel Revenue declined by ▼ -3% YoY due to lower production volumes.

Revenue, AED m

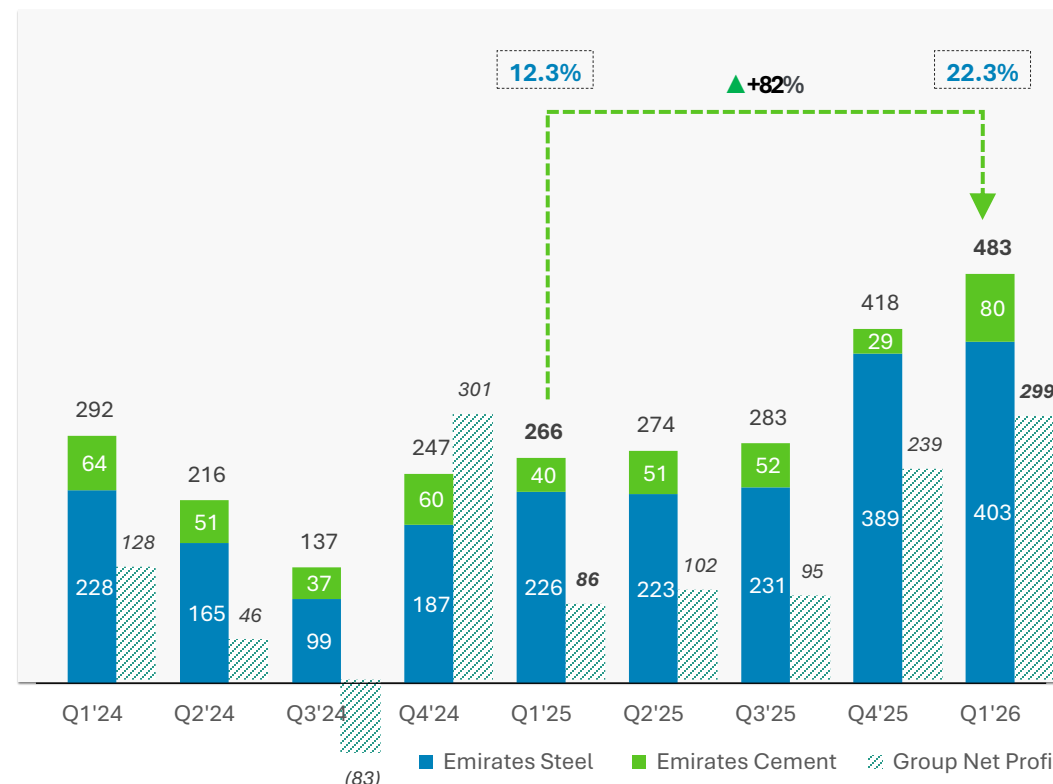


In Q1'26 EBITDA reached AED 483 million, up ▲ +82% YoY. EBITDA margin expanded to 22.3% compared to 12.3% in Q1'25.

The improvement was driven by lower raw material costs, ▲ +3% YoY increase in average selling prices, and ongoing optimization initiatives.

EBITDA, Net Profit, AED m

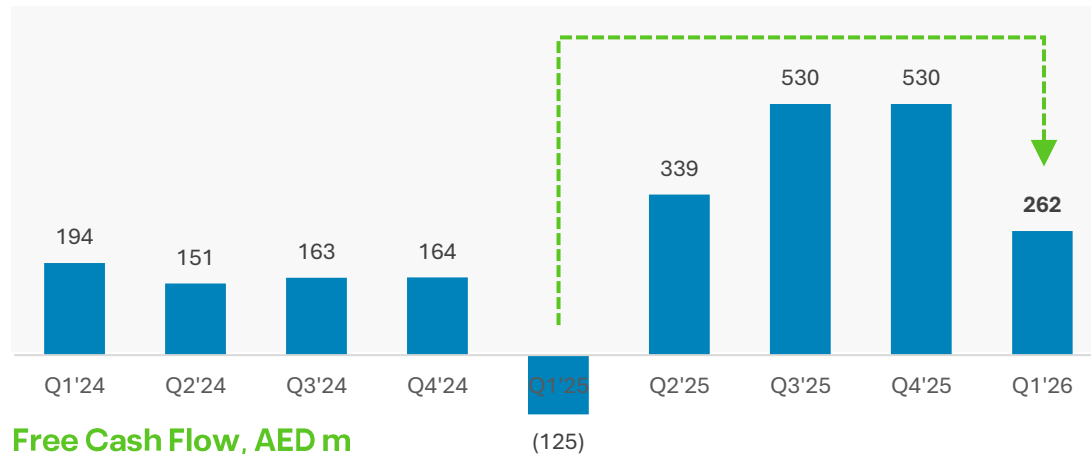
EBITDA margin, %



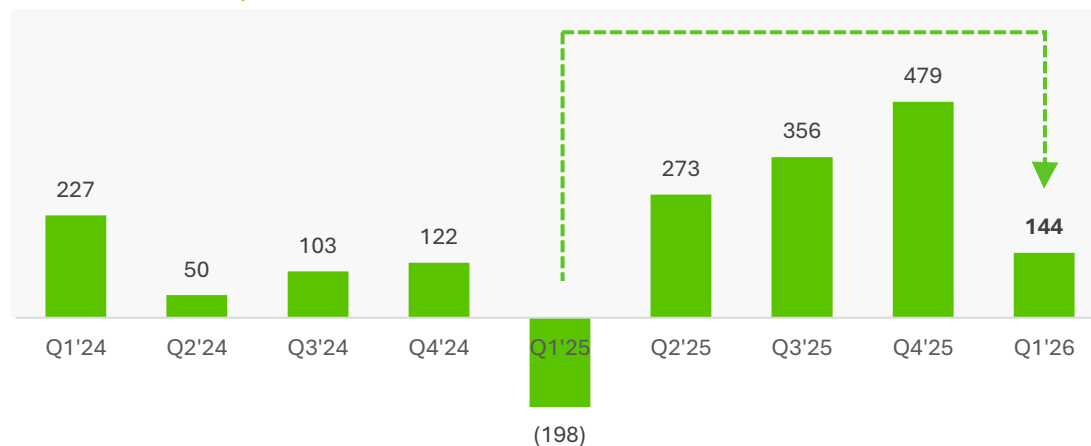
Persistent FCF generation setting up foundation for future growth and enhancing financial flexibility

In **Q1'26** EMSTEEL reported OCF of AED 262m (vs AED -125m), and FCF of AED 144m (vs AED -198m in **Q1'25**). YoY improvement driven by higher EBITDA and working capital optimization.

Cash Flow from Operations, AED m

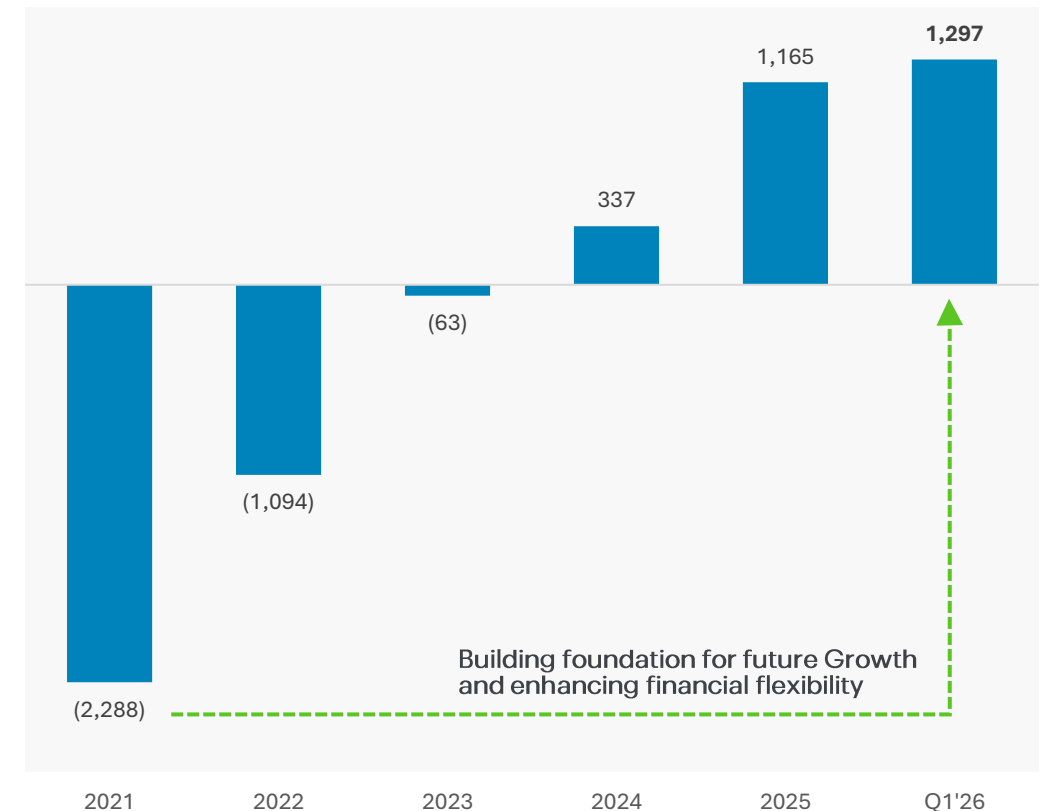


Free Cash Flow, AED m



Since the merger in Oct'21, EMSTEEL has steadily improved its leverage position clearing the road for Growth Strategy implementation. As of the end of **Q1'26** EMSTEEL has a Net Cash Position of AED 1,297m.

Net Cash Position / (Net Debt), AED m

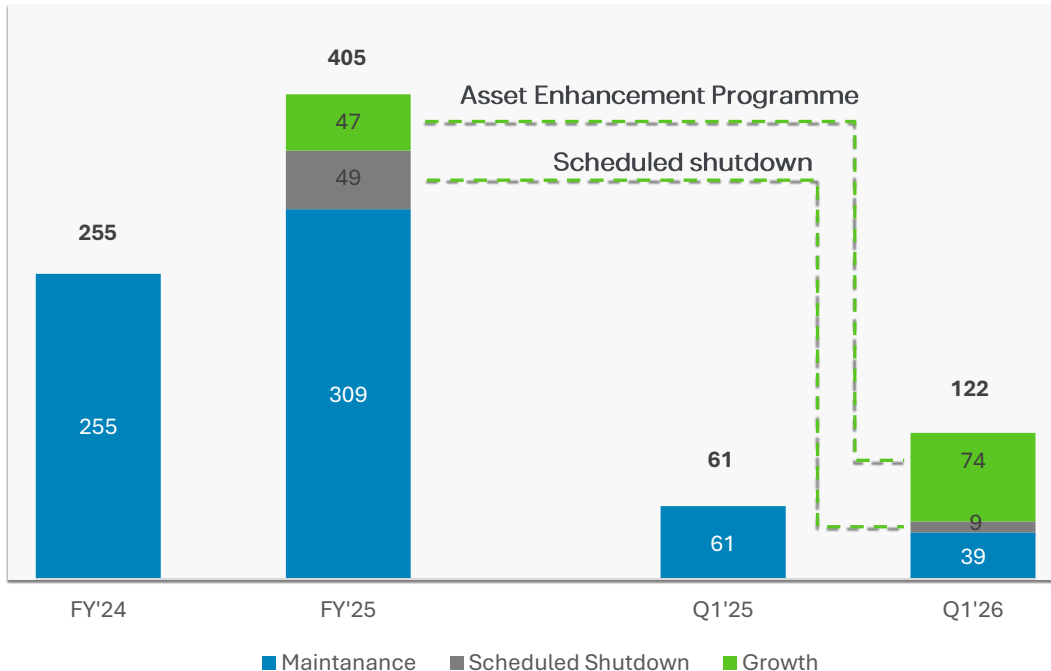


EMSTEEL Capex is focused on maximizing current business value and diversifying product portfolio

Starting from **FY'25**, EMSTEEL accelerated investment under Asset Enhancement Programme. In **Q1'26** overall Maintenance Capex (*incl. scheduled shutdowns*) decreased by 21% YoY, while Growth Capex reached AED 74m (*no Growth Capex in Q1'25*).

Increase in Maintenance Capex during **FY'25** was primarily related to the scheduled shutdown at Steel Division's Direct Reduction Plants. In **Q1'26** an additional AED 9m was spent on scheduled rolling mill shutdown.

EMSTEEL Capex, AED m



Asset Enhancement Programme 2025 - 2027

Project completion progress

Overview

- Total CapEx: **AED 625m**
- 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-Q3 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: **2027**
- To enable production of **Value-Added Wire Rods and High Tensile Rebar in Coil**

* QST = Quenched and Self-Tempered; TMCP = Thermo-Mechanical Controlled Processing

EMSTEEL focused on supporting the resilience of the UAE market amid closure of the Strait of Hormuz



Closure of the Strait of Hormuz in March 2026 placed significant pressure on steel value chains across the region.

Steel imports into the UAE declined materially, resulting in tighter availability of finished products and billets across the domestic market.

In this environment **EMSTEEL remained the primary domestic supplier of long steel products in the UAE.**

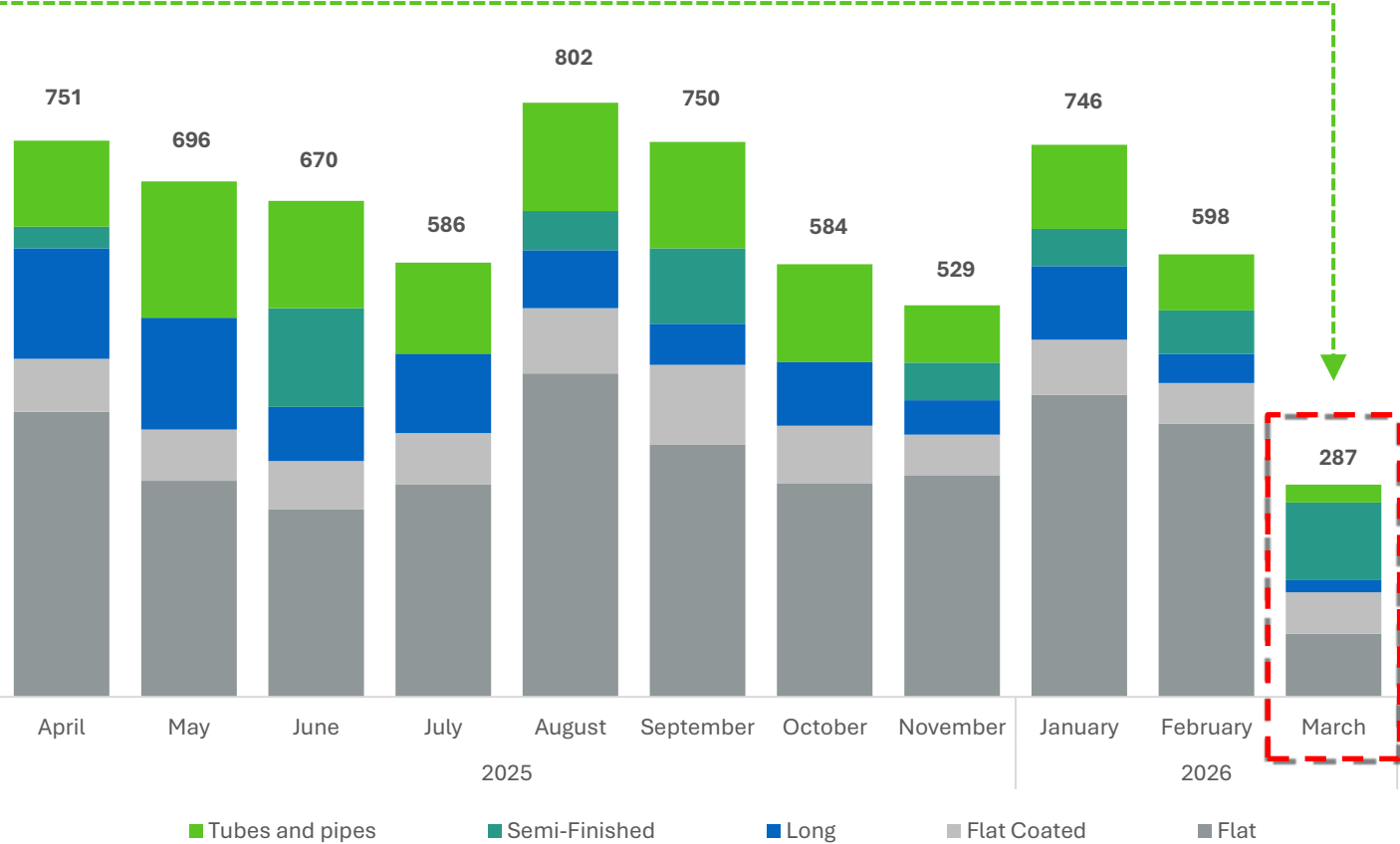
On the backdrop of the continued strong momentum in UAE construction activity, **steel retail prices increased amid expectations of potential supply shortages.**

During **FY'25**, EMSTEEL successfully maintained price stability in the UAE rebar market, helping to reduce demand volatility while significantly increasing rebar sales.

Starting **Apr'26**, EMSTEEL has focused on **maintaining pricing discipline across key domestic steel and building materials products**, while ensuring reliable supply to customers nationwide.

Maintaining pricing during this period reflects long-term approach and the Company's **support for national industries, ensuring project continuity across the UAE.**

UAE Steel Imports, kt *



* Source: Global Trade Tracker

Appendix

Consolidated statement of financial position

Assets, AED mn	Q1'26	2025	2024
Non-current assets			
PPE	6,211	6,241	6,416
Goodwill	-	-	-
Right-of-use assets	199	207	214
Other non-current assets	78	73	57
Total non-current assets	6,488	6,521	6,687
Current assets			
Inventories	2,121	1,940	1,543
Trade and other receivables	1,642	1,550	2,069
Cash and cash equivalents	1,524	1,165	797
Total current assets	5,287	4,655	4,572
Total assets	11,775	11,177	11,259

Equity and Liabilities	Q1'26	2025	2024
Net equity	9,543	9,244	8,720
Non-current liabilities			
Lease liabilities	315	323	321
Provision for end of service	161	160	155
Deferred tax liability	17	17	19
Total non-current liabilities	493	500	495
Current liabilities			
Bank borrowings	227	0	486
Trade and other payables	1,242	1,167	1,483
Corporate tax payable	79	50	21
Due to related party	178	203	-
Lease liabilities	13	13	12
Total current liabilities	1,739	1,432	2,043
Total liabilities	2,232	1,932	2,538
Total equity and liabilities	11,775	11,177	11,259

Consolidated statement of profit or loss

AED mn	Q1'26	Q1'25	2025	2024
Revenue	2,168	2,156	8,941	8,337
Cost of sales	(1,742)	(1,916)	(7,675)	(7,578)
Gross profit	426	240	1,267	760
Selling and distribution expenses	(10)	(11)	(89)	(44)
General and administrative expenses	(98)	(120)	(546)	(417)
Other income	11	7	4	3
Share of profit/(loss) of associates	-	-	-	-
Reversal of impairment loss on property, plant and equipment	-	-	-	207
Gain on disposal of assets held for sale	-	-	4	-
Finance income	7	4	15	14
Finance costs	(9)	(25)	(84)	(96)
Profit/(loss) for the period before tax	327	94	572	432
Income tax expense	(28)	(8)	(50)	(39)
Profit/(loss) after tax	299	86	523	392
<i>Basic and diluted profit/(loss) per share (AED)</i>	<i>0.044</i>	<i>0.013</i>	<i>0.076</i>	<i>0.057</i>

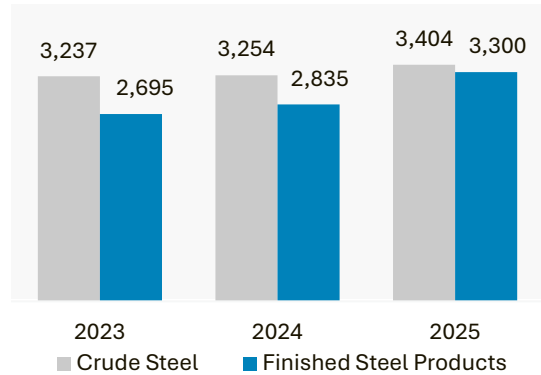
Consolidated statement of cash flows

AED mn	Q1'26	Q1'25	2025	2024
Operating cash flows before movements in working capital	485	278	1,296	867
Net movements in working capital	(220)	(397)	10	(174)
Cash generated from operations	265	(120)	1,307	693
Employees' end of service benefit paid	(3)	(6)	(15)	(20)
Corporate tax paid	-	-	(18)	-
Net cash generated from/(used in) operating activities	262	(125)	1,274	673
Net cash used in investing activities	(118)	(73)	(364)	(171)
Net cash generated from/(used in) financing activities	215	256	(567)	(105)
Net increase / (decrease) in cash and cash equivalents	359	58	341	397

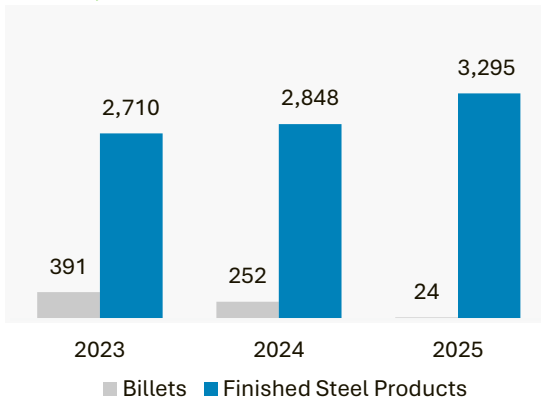
FY Operational & Financial results

Steel

Production, kt

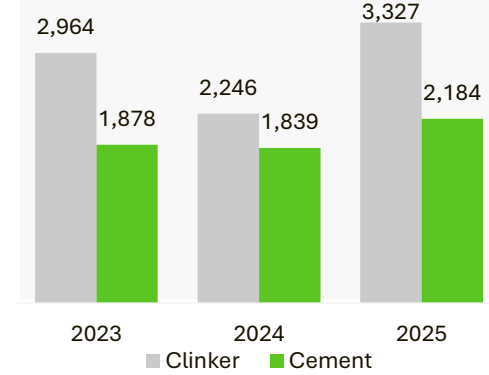


Sales, kt

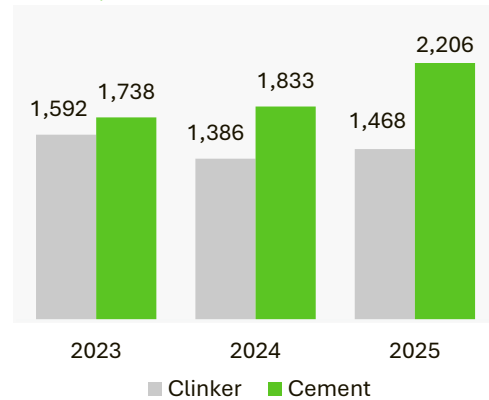


Cement & Clinker*

Production, kt

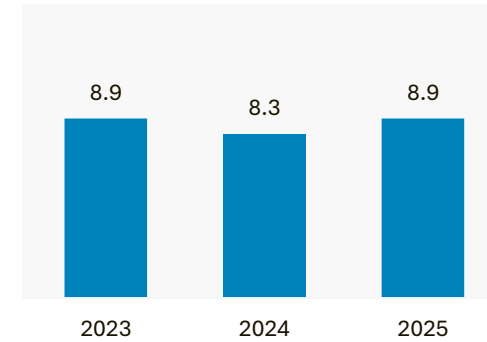


Sales, kt

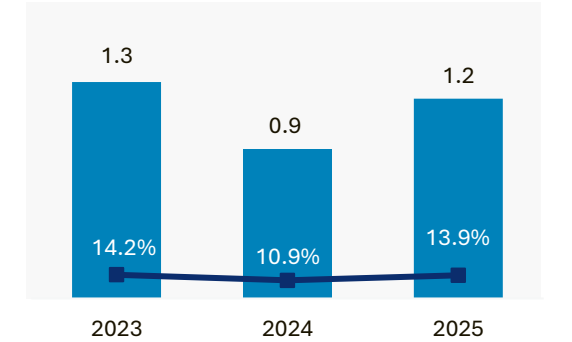


Financial Results

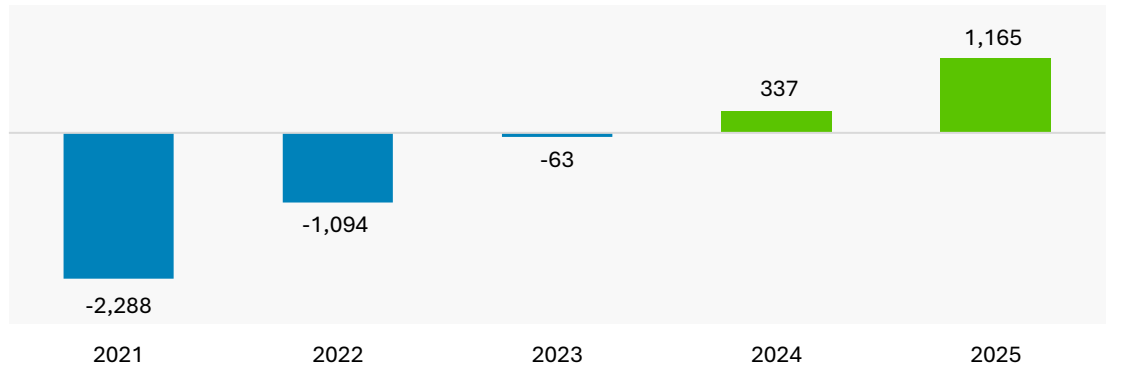
Revenue, AED bn



EBITDA, AED bn & EBITDA Margin, %



Net Cash Position / (Net Debt), AED m



* Clinker constitutes: Clinker OPC and Clinker SRC; **Cement products: Ordinary Portland and Sulphate Resistant Cement (OPC, SRC), Limestone Cement, Slag and Dry Mortar

THANK YOU

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