EMSTEEL
Q2 and H1 2026 Financial Results

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HSE and ESG

Public

Focus on HSE Delivers Tangible Results

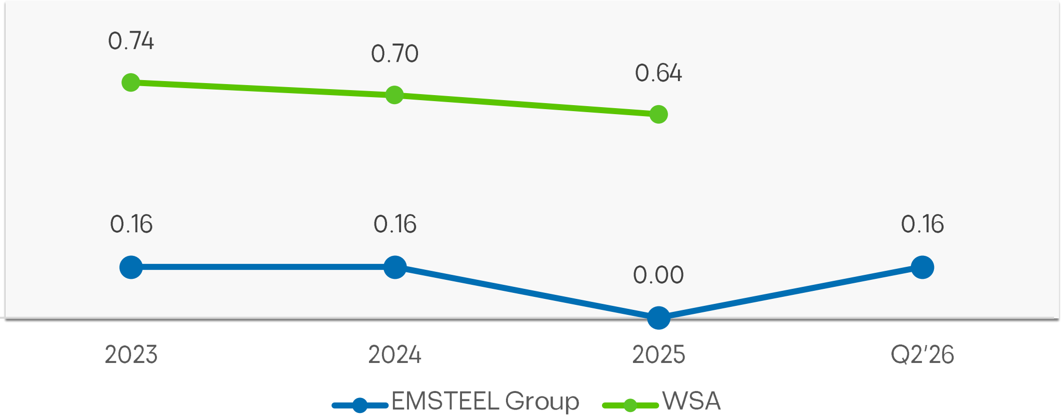
EMSTEEL continuously implements measures to further enhance health and safety standards across the Group. The following are some of the key initiatives the company focused on during Q2'26:

- AMAN 3.0 safety transformation program launched, and related trainings conducted
- STOP.THINK.ACT. roadshow launched and multiple sessions held;
- World safety and environmental day celebrated on 5th June 2026;

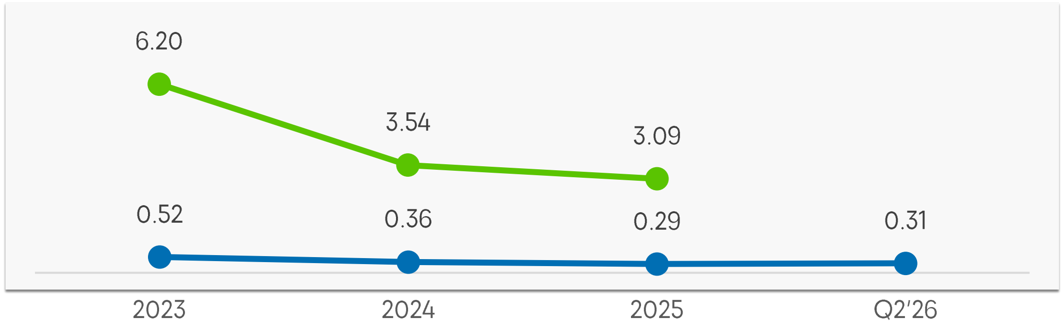
- Focused inspection campaign completed;
- Launched the Group HSSE Integrated Procedure Development initiative;
- Successfully renewed the Environmental Permit and Occupational Safety and Health License.

As of Q2'26, EMSTEEL Group achieved a Lost-Time Injury Frequency Rate (LTIFR) of 0.16 and a Total Recordable Injury Frequency Rate (TRIFR) of 0.31 – both significantly below World Steel Association (WSA) benchmarks.

LTIFR



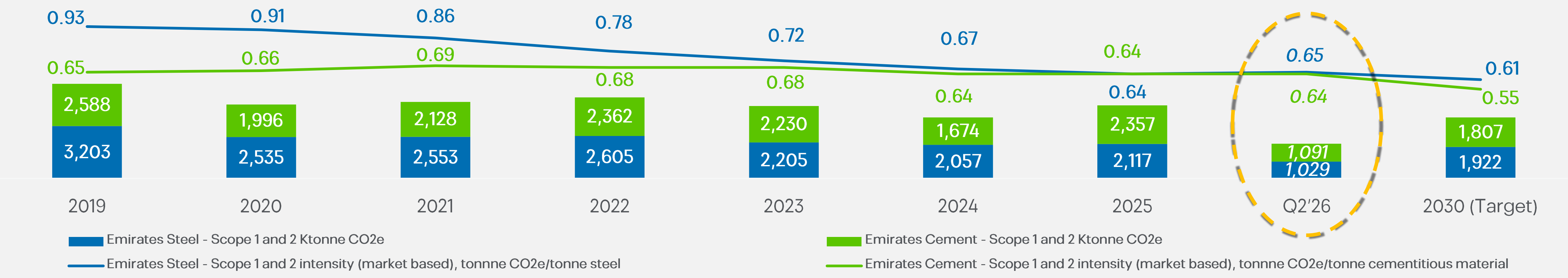
TRIFR



* PSIF - Personal Serious Injury Frequency

Q2’26 - On track to achieve Decarbonization targets

Group Emissions*



ESG Achievements in Q2’26

EMSTEEL Received Most Sustainable Company in the MENA Steel Industry in World Finance Sustainability Awards 2026

EMSTEEL Received the Quality and Compliance Award at MIITE 2026

EMSTEEL officially launched its ES600 high-strength steel rebar.

ES600 enables steel consumption reductions of between 18% and 24% while supporting more efficient and sustainable construction practices.

ES600 is already being deployed across a broad range of major developments in the UAE.

Separately, EMSTEEL signed a Collaboration Agreement with the Technology Innovation Institute (TII) to jointly validate the performance of ES600.

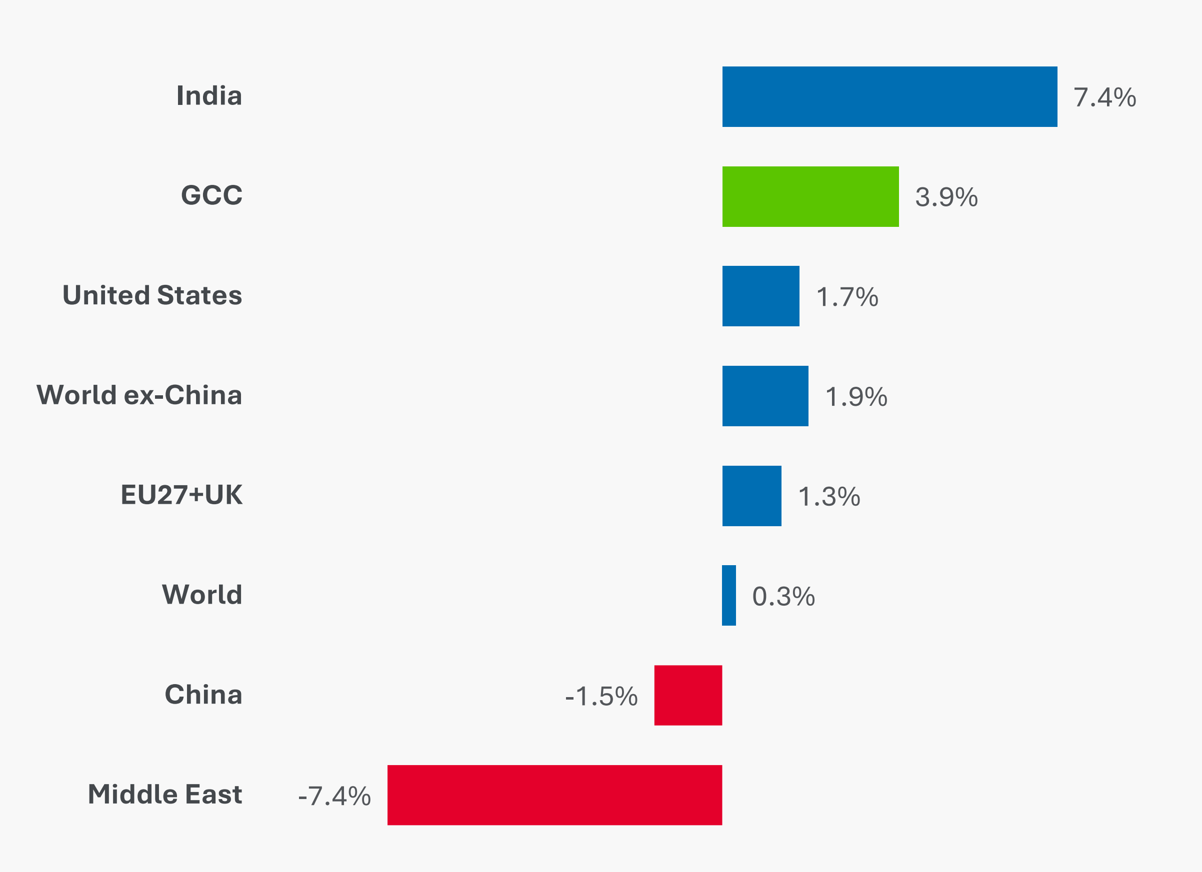
* The emission numbers for Q2’26 are not yet verified. All emission data are ordinarily verified at the end of the year by a Third Party, during Annual GHG verification process.
* At Emirates Cement we have observed CO2e emissions drop in 2024, primarily due to scheduled shutdowns.

Market Context

Public

Global Steel Demand: stabilising at ▲+0.3% in 2026; GCC continues growth despite the conflict disruption

Apparent steel use, growth 2026F, by region
%, worldsteel SRO Apr'26



World Demand 2026F
1,724 Mt
▲ +0.3%

World Demand 2027F
1,762 Mt
▲ +2.2%

UAE demand: in 2024-25 was among the fastest-growing globally

- ▲+30.6% in 2024, ▲+22.8% in 2025, to 11.3 Mt
- GCC upgraded both years: ▲+3.9% in 2026, +8.2% in 2027
- Middle East cut (▼-7.4%) is Iran-driven

Changes since the October'25 WorldSteel outlook

- **World 2026f:** ▼ -48 Mt / ▼ -1.0 pp
- **Middle East 2026f:** ▼-11.4 pp (primarily Iran-driven)
- **GCC 2026f:** ▲upgraded
- **EU & developed world:** ▲upgraded

Source: Worldsteel SRO ("Short Range Outlook"), April 2026 (Economics Committee #115) vs October 2025 edition.
ASU = apparent steel use, finished products. UAE 2024–25 = worldsteel actuals; worldsteel publishes no UAE-specific forecast.

Raw material prices remained elevated during Q2’26, before declining toward the end of the quarter as demand weakened

Global Iron Ore prices in Q2’26 :

- By the end of the Q2’26 declined by ▼-9% vs the peak price in Q1’26, due to higher Chinese port inventories and slower construction activity;
- At the same time Q2’26 Iron Ore index on av. was up ▲+12% YoY, compared with Q2’25.

During Q2’26 DR pellet premium stood at USD 43/t, on par with average level of FY’25.

IOP landed cost for steel producers in GCC continued to be elevated due to disruption of logistics via Hormuz Strait.

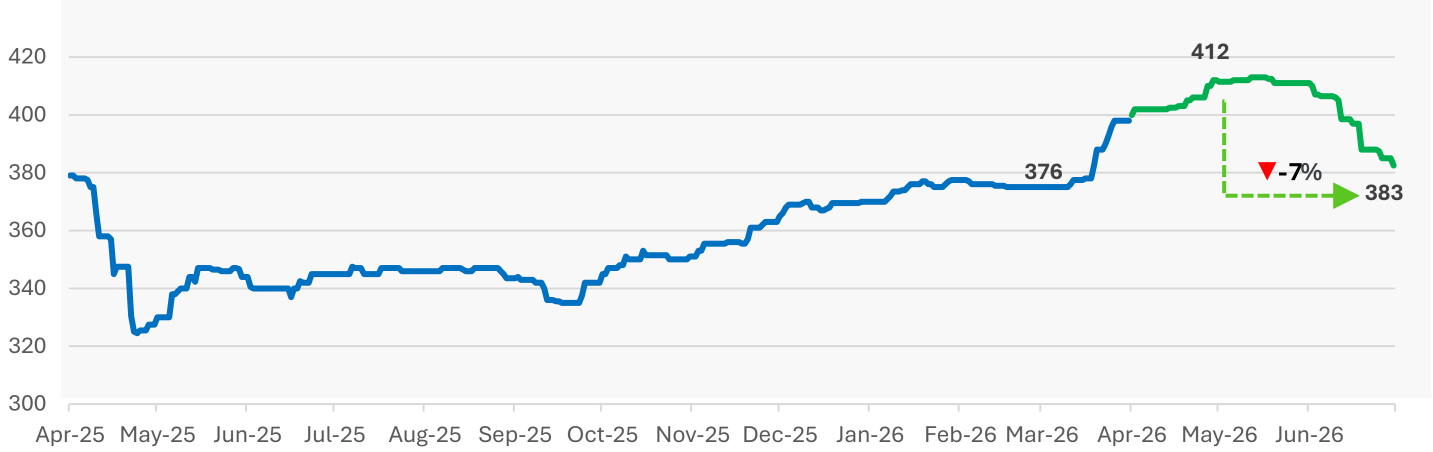
Iron Ore Fines 65% Fe, CFR China, USD/t

Elevated average scrap prices during Q2’26 (▲+9% QoQ and ▲+17%YoY) increased cost pressure across the industry.

By the end of Q2’26 scrap prices declined by ▼-7% from the peak in May, to around $388/t CFR Turkey, as weak finished steel demand and limited deep-sea buying pressured mills' raw material procurement.

At the same time, domestic UAE scrap prices in Q2’26 continued to be well below international benchmarks due to export constraints.

Scrap, SFR Turkey, USD/t



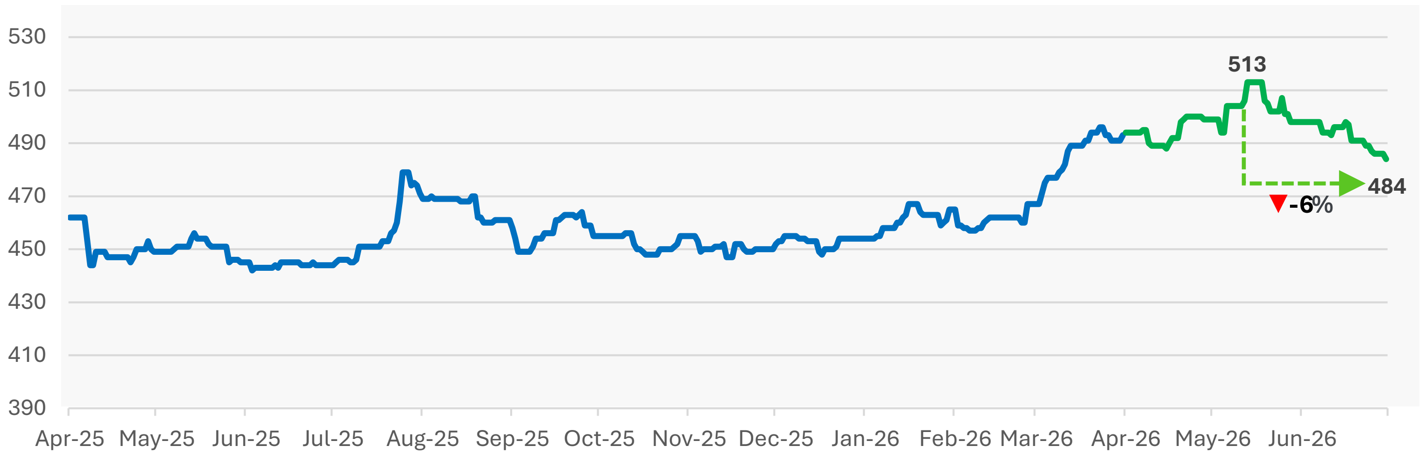
By Jun’26 weaker demand and lower raw material costs led to a correction in semi-finished and finished steel products prices

By the end of the Q2’26, billet prices decreased by approximately ▼-6% from their peak in May’26.

At the same time Q2’26 billet prices on av. were up ▲+11% YoY, compared with Q2’25.

Billet availability and lead times for GCC producers continued to be negatively impacted by logistics constraints in the Strait of Hormuz.

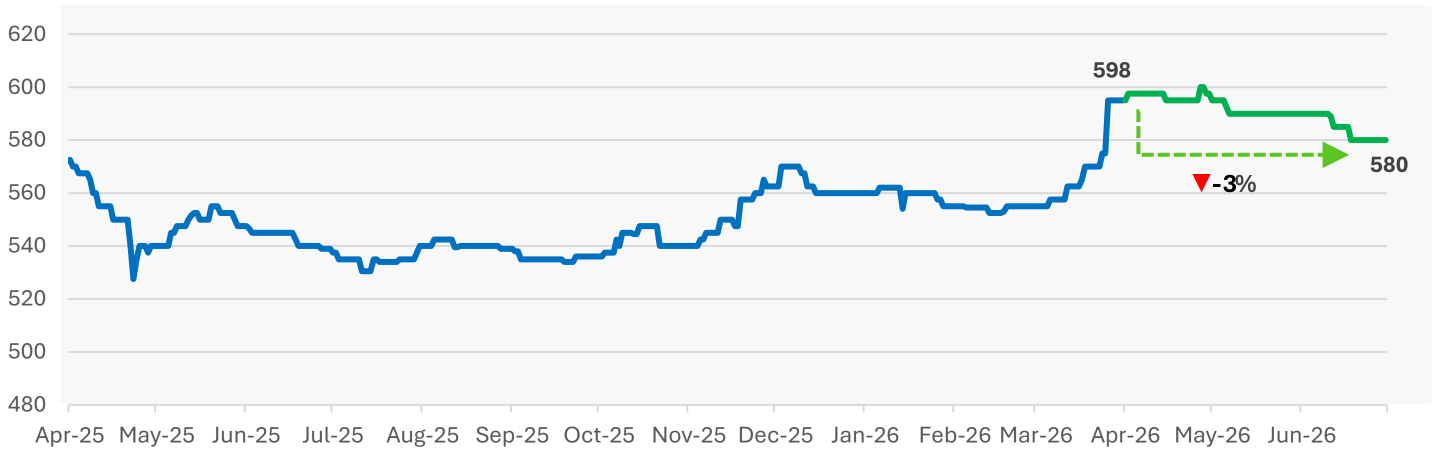
Billet, CFR Southeast Asia, USD/t



Reflecting weaker export demand and lower scrap costs, while steel producers continued prioritizing margin protection over production volumes, rebar prices in Turkey declined by ▼-3% by the end of the Q2’26.

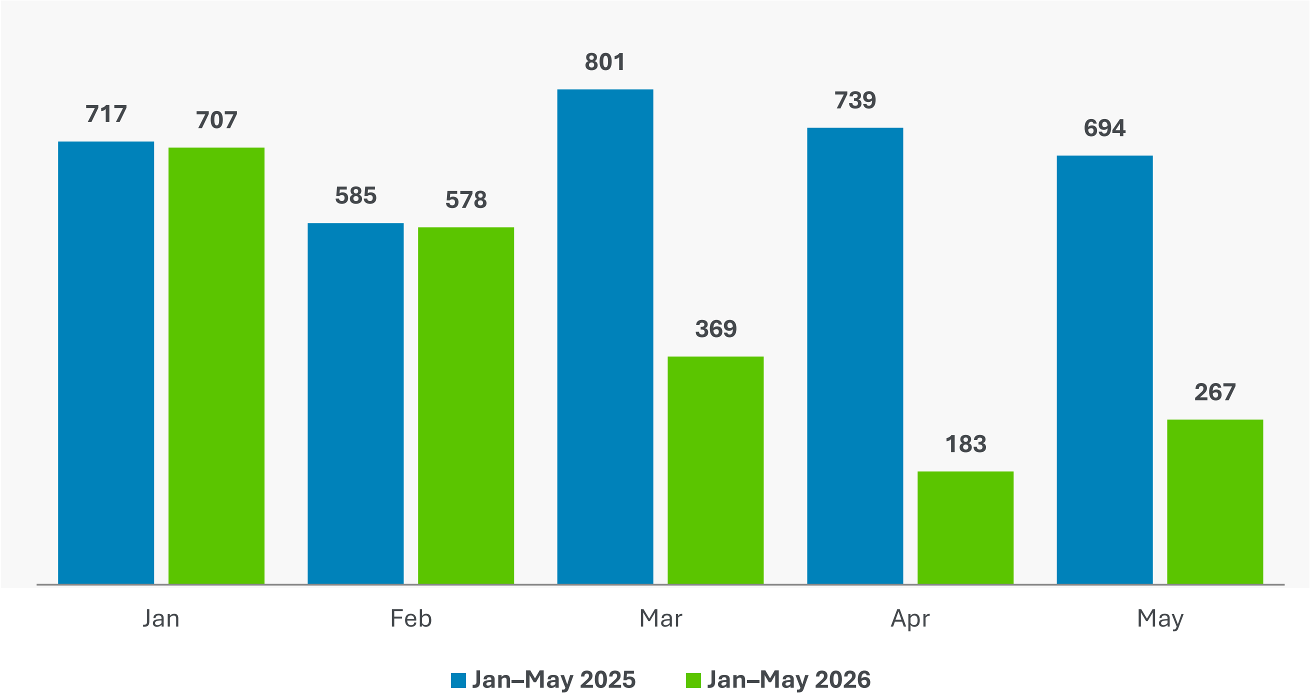
Average rebar price in Q2’26 was up ▲+8% YoY, compared with Q2’25.

Rebar, FOB Turkey, USD/t



Following the disruption in Mar’26, UAE steel imports declined by 40%, driving increased focus on domestic primary steel production

UAE steel imports by month, kt



YoY: Jan’26 **-1.5%** Feb’26 **-1.2%** Mar’26 **-54.0%** Apr’26 **-75.2%** May’26 **-61.6%**

Steel Imports (Jan–May 2026 vs 2025)

▼ -40.5% volume · ▼ -44.8% value

This is a UAE-specific decline due to the regional conflict, not a global reduction of seaborne steel trade:

- **China to the world: ▲+0.4%** *VS* **China to the UAE: ▼-42.5%**
- **Türkiye, Japan, Korea: UAE-bound export fell 2–3X compared to their global trend**

This situation significantly increased the importance of local UAE steel producers

▲ +5 – 15 p.p. QoQ

- **During Q2’26 EMSTEEL secured alternative raw material logistics routes.**
- **This allowed the Group to increase its UAE Market share across multiple finished steel product segments, as it stepped in replacing less reliable supplier.**

Source: Global Trade Tracker, partner-country (mirror) data; 31 origins fully reported through May 2026, ~50% of the UAE's normal import base; HS 72–73 excl. stainless and raw materials. Totals are panel like-for-like, not all-origin.

Financial and Operational Highlights

Q2’26 Sales performance

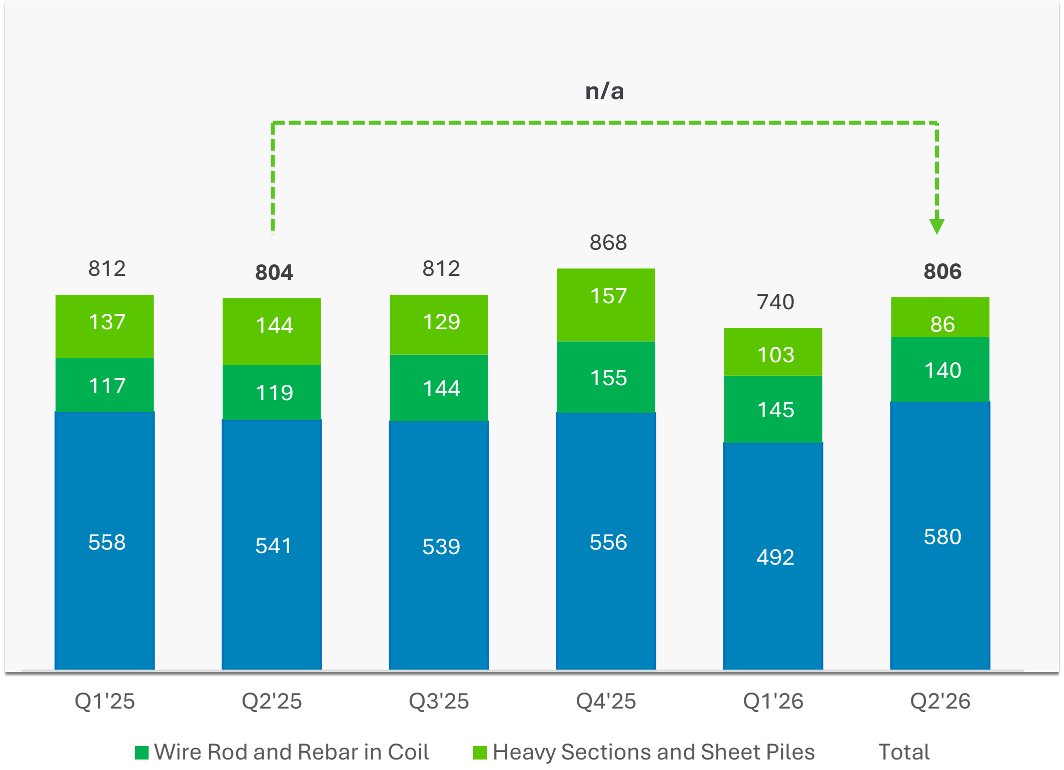
In Q2’26 sales of finished steel products remained in line with Q2’25.

The Group's steelmaking plants operated at ~100% utilization rate. With export sales constrained by the regional conflict, production was redirected to the UAE market, resulting in decline of heavy sections sales, fully offset by higher domestic sales of rebar and wire rod.

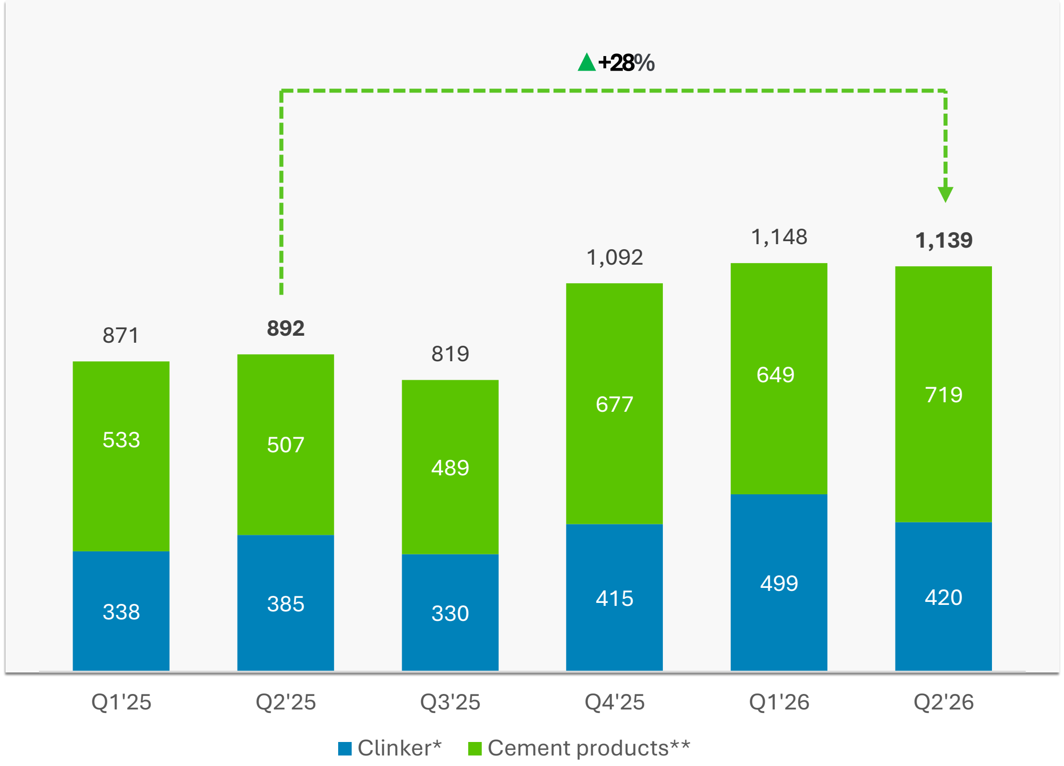
In Q2’26 EMSTEEL total cement and clinker sales grew by ▲+28% YoY, reaching 1.1m tonnes, reflecting strong demand during the period.

Clinker sales were up ▲ +9% YoY, and cement products sales grew by ▲ +42% YoY.

Sales of finished steel products, kt



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

H1’26 Sales performance

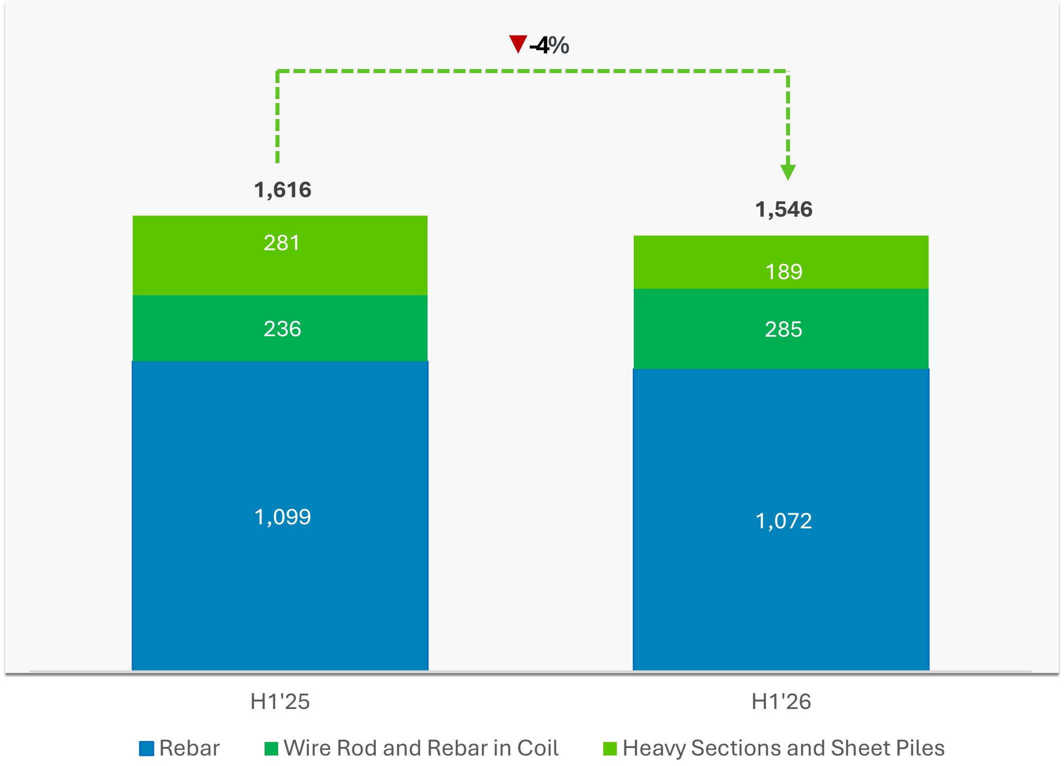
In H1’26 sales of finished steel products decreased by ▼-4% YoY, to 1.5m tonnes. The decrease was primarily attributable to a planned maintenance shutdown of a rolling mill in Q1’26.

During H1’26 rebar sales decreased by ▼-2% YoY, and wire-rod sales increased by ▲+21% YoY. Heavy-section sales decreased by ▼-33%.

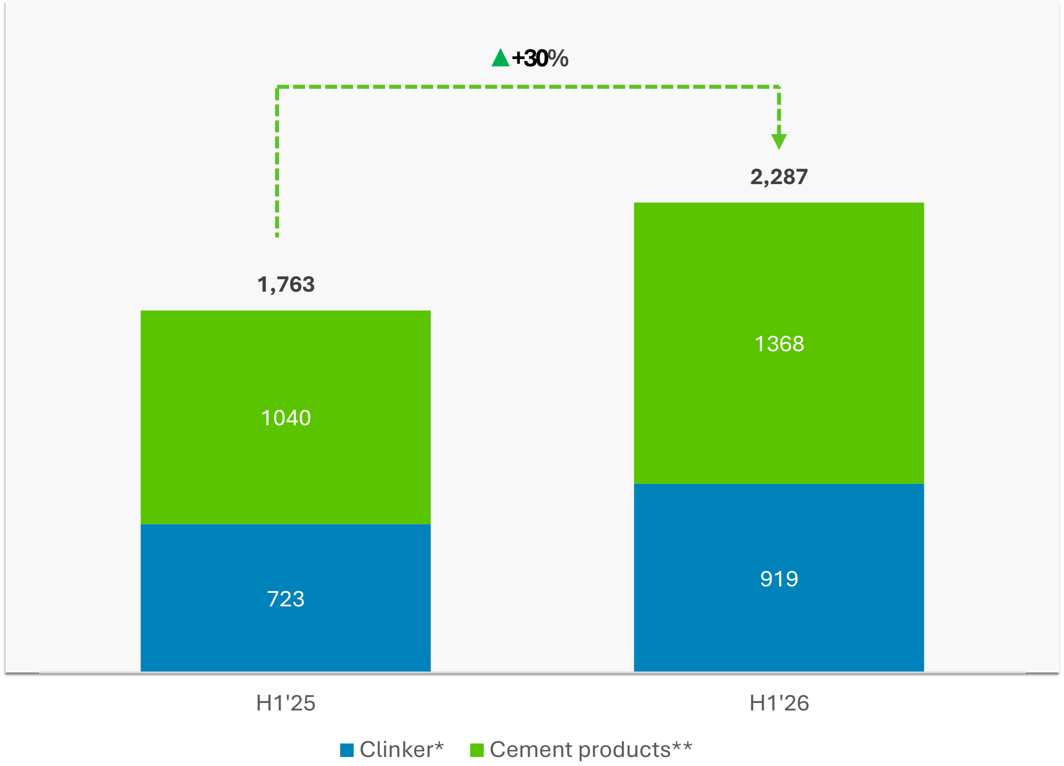
In H1’26 EMSTEEL total cement and clinker sales grew by ▲+30% YoY, reaching 2.3m tonnes.

Clinker sales were up ▲ +27% YoY, and cement products sales grew by ▲ +32% YoY.

Sales of finished steel products, kt



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

Q2’26 Financial results

In Q2’26 EMSTEEL Revenue was AED 2.4bn, up ▲+11% YoY.

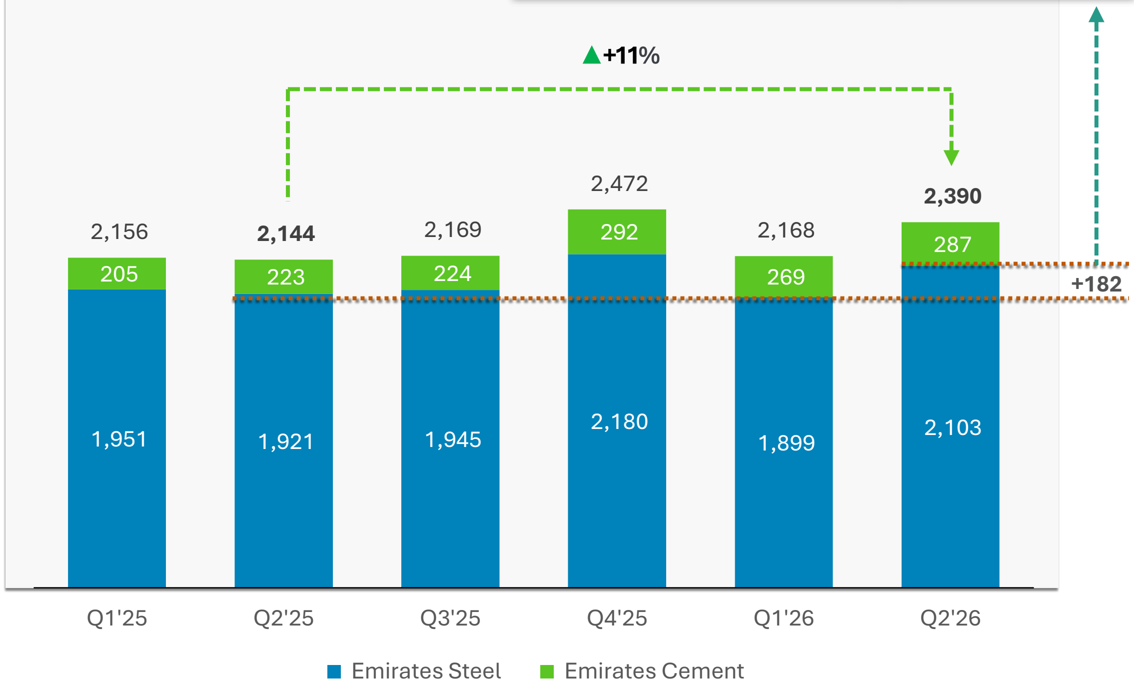
Emirates Steel Revenue increased by ▲+9% YoY, primarily due to ▲+10% YoY growth in average selling prices for finished steel products. Higher clinker and cement sales, as well as ▲+30% YoY growth of cement price contributed to Emirates Cement division Revenue growth of ▲+29% YoY.

In Q2’26 EBITDA reached AED 457m, up ▲+67% YoY. EBITDA margin expanded to 19.1% compared to 12.8% in Q2’25. The improvement was driven by disciplined SG&A cost control and higher selling prices.

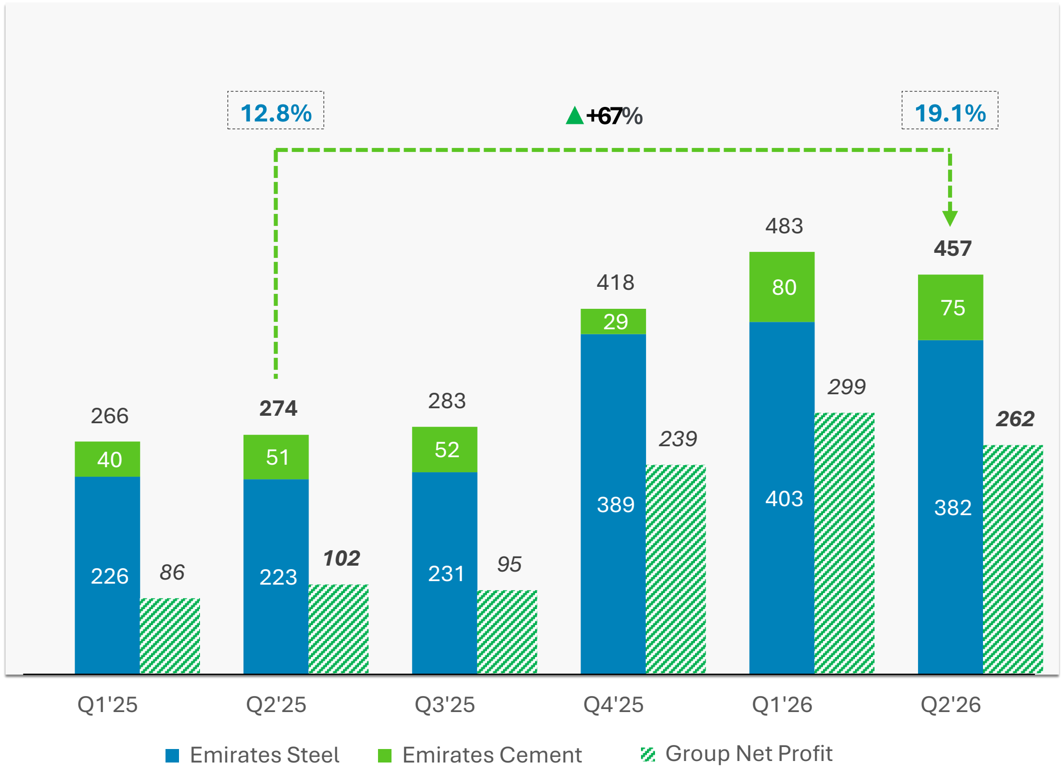
While Q1'26 benefited from lower raw material costs, Q2’26 landed costs began to reflect the regional conflict and more expensive logistics routes.

Revenue, AED m

Steel division, Q2'26, YoY	Revenue Impact
Products' mix and price change	AED +178m
Sales volume	AED +4m



EBITDA, *Net Profit*, AED m **EBITDA margin, %**



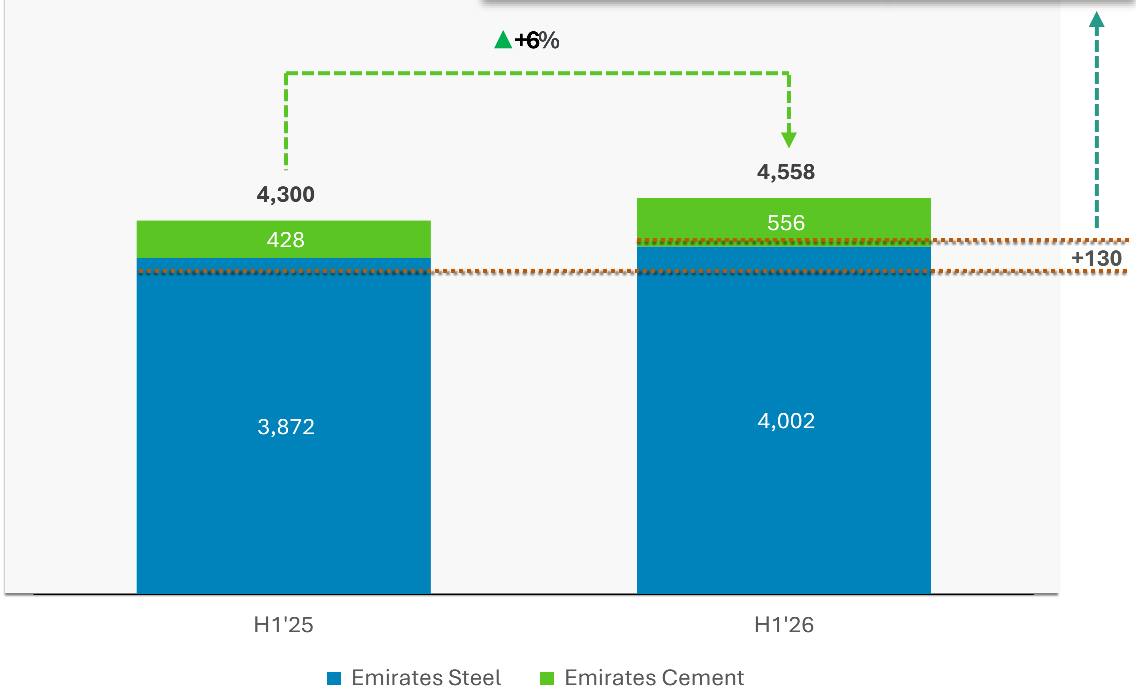
H1’26 Financial results

In **H1’26** EMSTEEL Revenue was AED 4.6bn, up ▲+6% YoY.

Emirates Steel Revenue increased by ▲+3% YoY, primarily driven by a ▲+6% increase in the average selling price for finished steel products, partially offset by lower heavy-sections sales volumes. Emirates Cement division Revenue was up ▲+30% YoY.

Revenue, AED m

Steel division, H1'26, YoY	Revenue Impact
Products' mix and price change	AED +172m
Sales volume	AED -42m

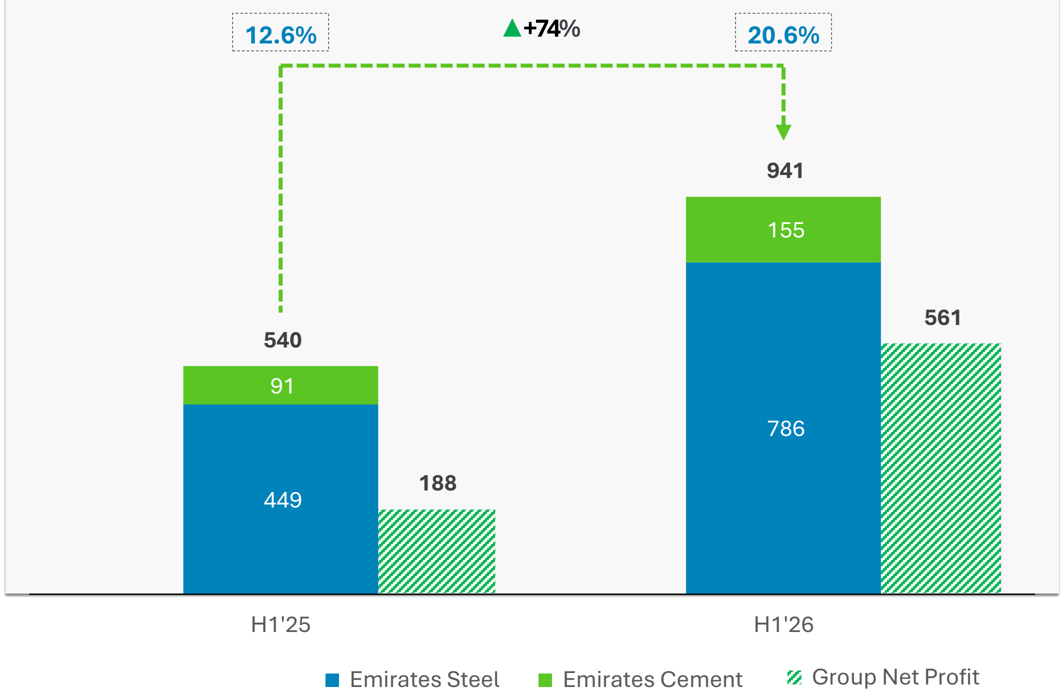


In **H1’26** EBITDA reached AED 941m, up ▲+74% YoY. EBITDA margin expanded to 20.6% compared to 12.6% in **H1’25**.

Emirates Steel division EBITDA grew by ▲+75%, to AED 786m. Emirates Cement EBITDA increased by ▲+70%, to AED 155m.

EBITDA, *Net Profit*, AED m

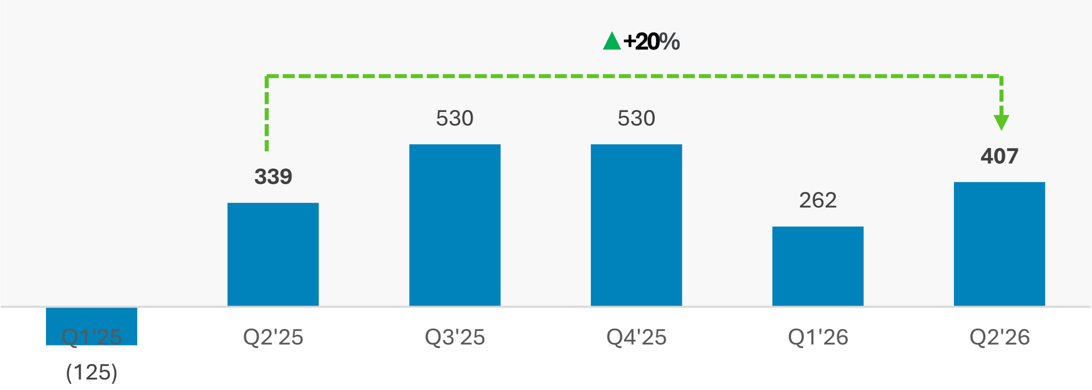
EBITDA margin, %



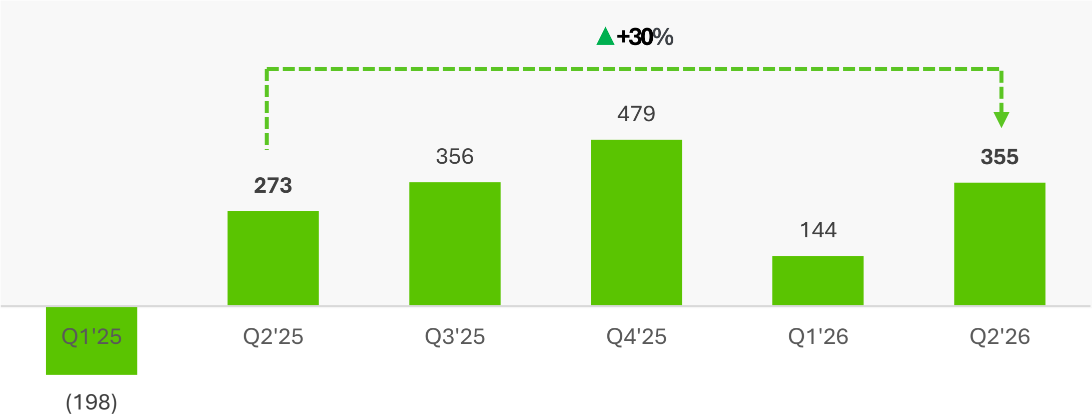
Persistent FCF generation setting up foundation for future growth and enhancing financial flexibility

In **Q2'26** EMSTEEL reported OCF of AED 407m, up ▲+20% YoY, and FCF of AED 355m, up ▲+30% YoY. YoY improvement is primarily driven by higher EBITDA. **H1'26 FCF** increased by ▲+565% YoY, to AED 499m.

Cash Flow from Operations, AED m

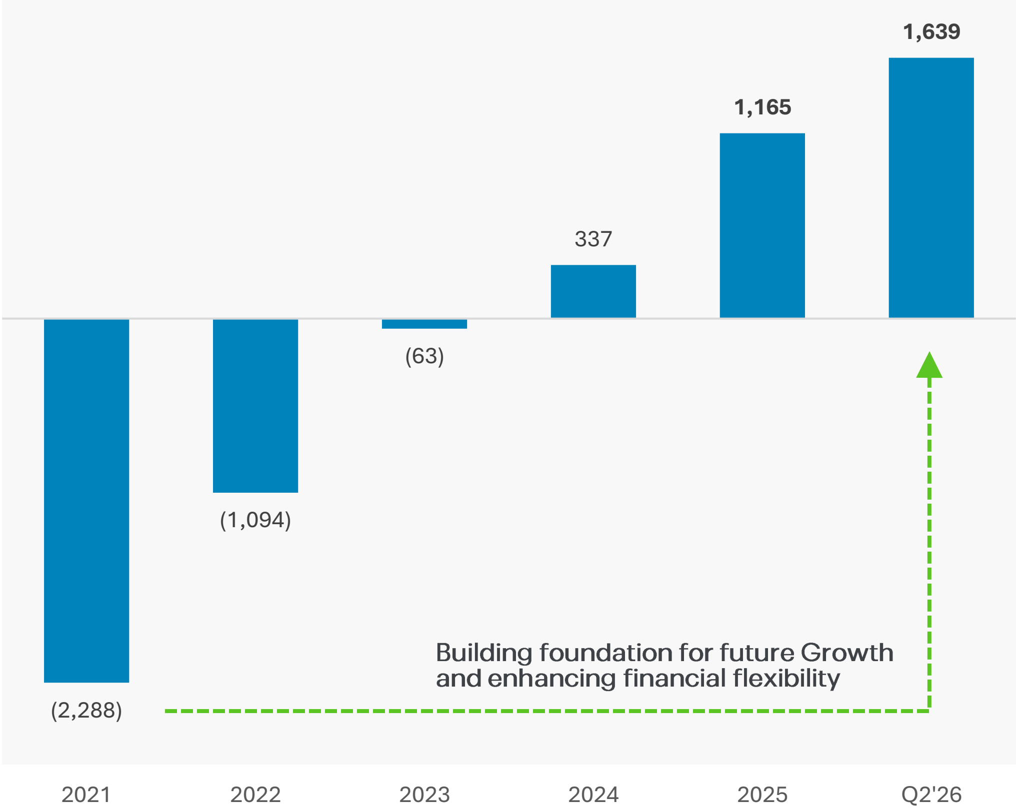


Free Cash Flow, AED m



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 **Q2'26** EMSTEEL has a Net Cash Position of AED 1,639m.

Net Cash Position / (Net Debt), AED m

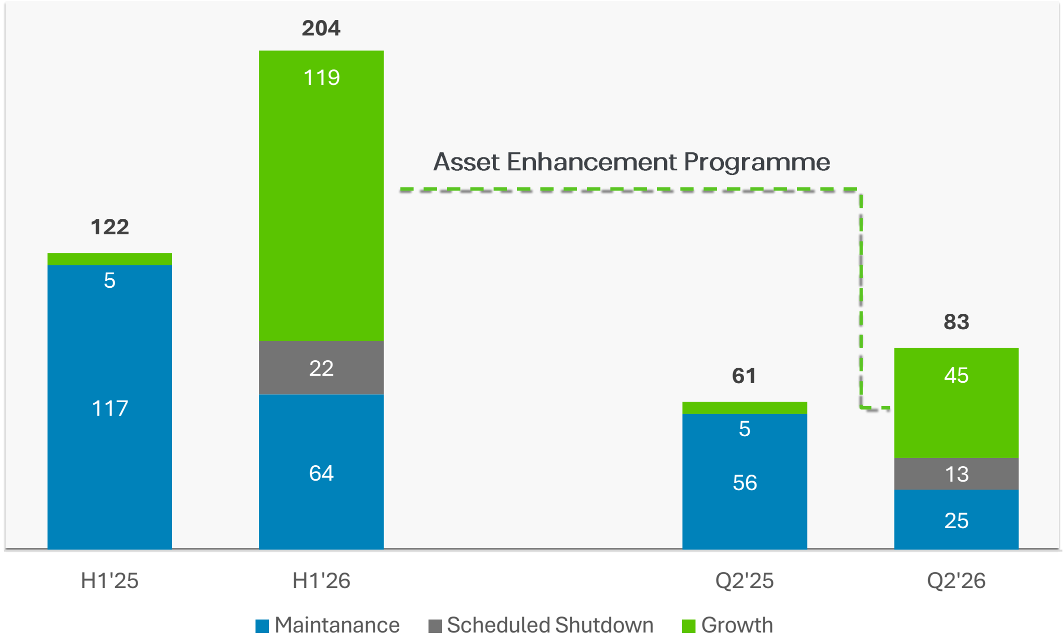


EMSTEEL Capex is focused on maximizing current business value and diversifying product portfolio

In **Q2’26** total Capex increased by +36% YoY, primarily driven by Growth Capex, which reached AED 45m (*vs AED 5m in Q2’25*). At the same time, total Maintenance Capex (*incl. scheduled shutdowns*) decreased by -32% YoY to AED 38m.

Similarly, during **H1’26** total Capex increased by +67% YoY, reflecting continued investment under the Asset Enhancement Programme. **H1’26** Growth Capex reached AED 119m, or 58% of total Capex.

EMSTEEL Capex, AED m



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

Asset Enhancement Programme 2025 - 2027

Project completion progress

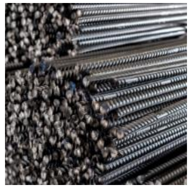
Overview

- 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: **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**

Appendix

Consolidated statement of financial position

Assets, AED mn	Q2'26	2025	2024
Non-current assets			
PPE	6,139	6,241	6,416
Goodwill	-	-	-
Right-of-use assets	195	207	214
Other non-current assets	75	73	57
Total non-current assets	**6,409**	**6,521**	**6,687**
Current assets			
Inventories	2,060	1,940	1,543
Trade and other receivables	1,653	1,550	2,069
Cash and cash equivalents	1,639	1,165	797
Total current assets	**5,352**	**4,655**	**4,572**
Total assets	**11,761**	**11,177**	**11,259**

Equity and Liabilities	Q2'26	2025	2024
Net equity	**9,804**	**9,244**	**8,720**
Non-current liabilities			
Lease liabilities	315	323	321
Provision for end of service	160	160	155
Deferred tax liability	17	17	19
Total non-current liabilities	**492**	**500**	**495**
Current liabilities			
Bank borrowings	0	0	486
Trade and other payables	1,192	1,167	1,483
Corporate tax payable	107	50	21
Due to related party	152	203	-
Lease liabilities	13	13	12
Total current liabilities	1,464	1,432	2,043
Total liabilities	**1,956**	**1,932**	**2,538**
Total equity and liabilities	**11,760**	**11,177**	**11,259**

Consolidated statement of profit or loss

AED mn	2Q'26	2Q'25	1H'26	1H'25
Revenue	**2,390**	**2,144**	**4,558**	**4,300**
Cost of sales	(1,977)	(1,871)	(3,719)	(3,787)
Gross profit	**413**	**273**	**839**	**514**
Selling and distribution expenses	(17)	(18)	(27)	(29)
General and administrative expenses	(101)	(127)	(199)	(247)
Other income / (expenses)	(3)	(1)	8	6
Operating profit	**291**	**128**	**621**	**243**
Finance income	10	3	17	6
Finance costs	(11)	(18)	(21)	(44)
Profit/(loss) for the period before tax	**290**	**112**	**617**	**206**
Income tax expense	(28)	(10)	(56)	(18)
Profit/(loss) after tax	**262**	**102**	**560**	**188**
Basic and diluted profit/(loss) per share (AED)	*0.038*	*0.015*	*0.082*	*0.027*

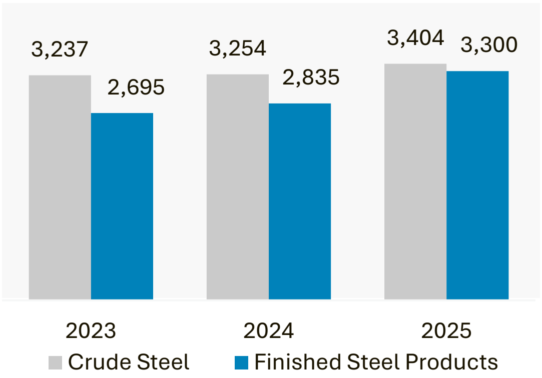
Consolidated statement of cash flows

AED mn	2Q'26	2Q'25	1H'26	1H'25
Operating cash flows before movements in working capital	474	291	959	569
Net movements in working capital	(62)	54	(282)	(342)
Cash generated from operations	411	345	677	227
Employees' end of service benefit paid	(4)	(6)	(7)	(11)
Corporate tax paid	-	-	-	-
Net cash generated from/(used in) operating activities	407	339	669	214
Net cash used in investing activities	(53)	(67)	(171)	(140)
Net cash generated from/(used in) financing activities	(239)	(500)	(24)	(244)
Net increase / (decrease) in cash and cash equivalents	115	(227)	475	(170)

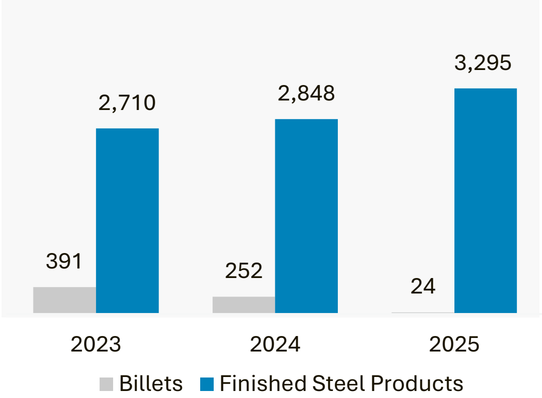
FY Operational & Financial results

Steel

Production, kt

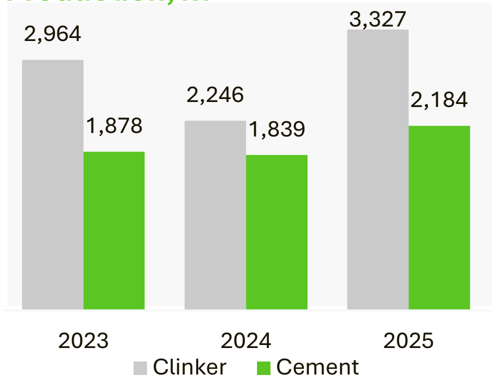


Sales, kt

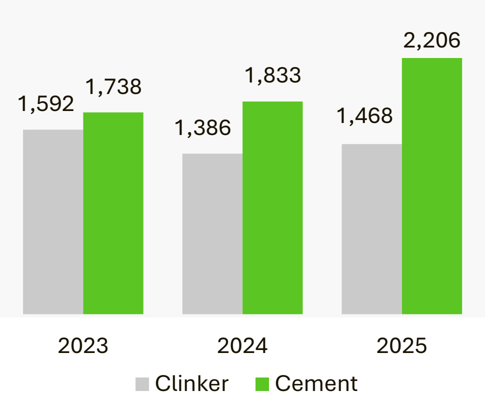


Cement & Clinker *

Production, kt

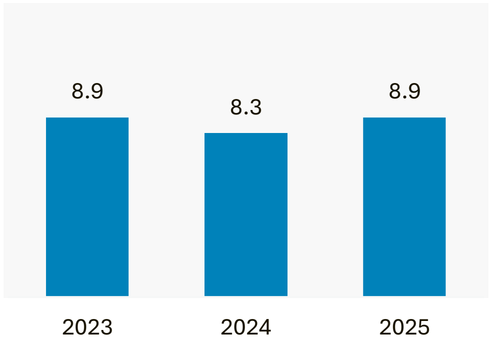


Sales, kt

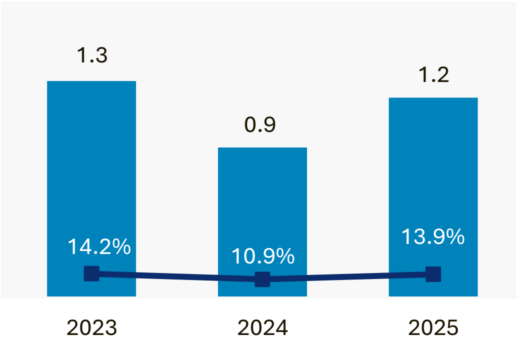


Financial Results

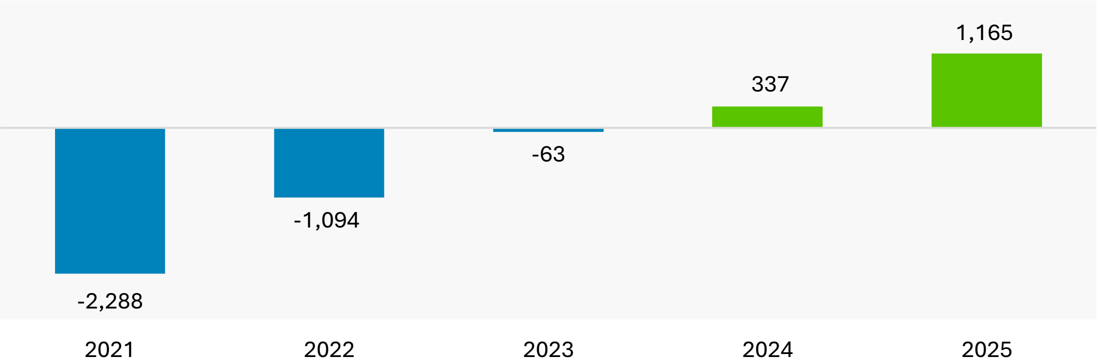
Revenue, AED bn



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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Interactive Annual Report 2025