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BUSINESS OVERVIEW
**QUICK FACTS ABOUT THE GROUP**

**Steel**
- Production capacity: 3.5 mtpa
- Steel assets utilizing latest DRI technology, 15 years old

**Revenue split:**
- 90% Steel
- 10% Building materials

**Cement**
- Production capacity: 4.6 mtpa
- Cement plant using gas for power generation, 10 years old

Emirates Steel Arkan is among the top 30% cheapest steel mills on the global cost curve*

**Steel rebar production costs $/t (2021 data)**

Ownership structure

- Emirates Steel Arkan was merged in Oct 2021

- ADX: EMSTEEL
- MCAP: AED 9.4bn** // ADTV: AED 20m***

- FY22
  - Revenue of AED 9.5 bn
  - EBITDA of AED 1.2 bn

*Company data. Independent 3rd party analysis confirms these estimates. **Market CAP as of 01.11.2023
***Average Daily Trading Volume is calculated over the last 12 months as of 31.10.2023
From the time of the announcement of the merger to its completion, shares of ESA increased 100% to AED 1.6 from AED 0.8.

*EISF = Emirates Iron & Steel Factory
**ACF = Al Ain Cement Factory
***Share price as of 31.08.2023
GEOGRAPHIC FOOTPRINT

The Group exports steel products to more than 70 countries.

UAE steel market share:
- 60% of rebar and wire rod.
- 80% of heavy sections and sheet piles.

Steel sales, FY22:
- 61% Domestic sales volume
- 39% Export sales volume

United Arab Emirates
- Abu Dhabi (Steel Division)
- Al Ain (Cement Division)
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 550,000 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.
Different steel production routes and relative CO2 Scope 1 emission intensity (without EAF)

<table>
<thead>
<tr>
<th>Process Type</th>
<th>Reactions</th>
<th>CO2/Fe Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blast Furnace with Coke</td>
<td>Fe2O3 + 3CO → 2Fe + 3CO2</td>
<td>CO2/Fe=1,2</td>
</tr>
<tr>
<td>Direct Reduction with Natural Gas</td>
<td>4Fe2O3 + 3CH4 → 8Fe + 6H2O + 3CO2</td>
<td>CO2/Fe=0,3</td>
</tr>
<tr>
<td>Direct Reduction with H2</td>
<td>Fe2O3 + 3H2 → 2Fe + 3H2O</td>
<td>CO2/Fe=0</td>
</tr>
</tbody>
</table>

MATERIAL HANDLING
- JETTY AREA
  - Unloading of iron pellets

IRON PELLETS
- Stocked in yards

DIRECT REDUCTION PLANT (DRP)
- Direct reduction process
  - To reduce iron oxides to metallic iron

DIRECT REDUCED IRON (DRI)
- Electric Arc Furnace (EAF)
  - DRI and scrap are heated and melted by heat of electric arc furnace

HOT BRIQUETTED IRON (HBI)
- Metal scrap
  - An alternative raw material to DRI

ROLLING MILLS
- Semi-Finished Steel Products (Semis)

STEEL MAKING
OUR STEEL DIVISION

Plants, Production Process and Products

01 DIRECT REDUCTION PROCESS
Three Direct Reduction Plants with a capacity of 4.2 MTPA

02 STEEL MAKING
Three Steel Making Plants with a capacity of 3.6 MTPA

03 ROLLING
Heavy Section Mill, Three Rebar Mills and a Wire Rod Mill

04 FINISHED PRODUCTS
Rebar, Wire Rod, Sheet Piles and Heavy Sections

- Heavy Section Mill with a capacity of 1.0 Mt
- Three Rebar Mills with a capacity of 2.0 Mt
- Wire Rod Mill with a capacity of 0.5 Mt
The raw materials used to manufacture cement (limestone and clay).

The raw materials are loaded into a dumper.

The raw materials, after crushing, are transported to the plant by conveyor.

The raw materials are very finely ground to produce the raw mix.

The raw mix is preheated before it goes into the kiln. The raw mix burns at 1500 °C producing clinker.

The clinker and the gypsum are very finely ground giving a “pure cement”.

The cement is stored in silos before being dispatched, either in bulk or in bags.
KEY ESG CREDENTIALS
We are committed to reducing our carbon emissions by 40% by 2030 (vs 2019 baseline) and work towards achieving Net Zero emissions by 2050.
Emirates Steel Arkan 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.
... ACTIVELY IMPLEMENTING AN INDUSTRY-LEADING SUSTAINABILITY PROGRAM

ESA 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.

<table>
<thead>
<tr>
<th>Nuclear Volume (MWh)</th>
<th>Solar Volume (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,520,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

2 million MWH represent more than 80% of ESA’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

<table>
<thead>
<tr>
<th>Objective</th>
<th>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)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation</td>
<td>Companies importing goods to the EU will have to purchase CBAM certificates to cover emissions (Scope 1&amp;2) embedded in products</td>
</tr>
<tr>
<td>Timeline</td>
<td>2023 - 2026: Reporting obligation but no financial adjustment</td>
</tr>
<tr>
<td>Price</td>
<td>Estimated equivalent carbon price for domestic and imported production (i.e. CBAM price = EU ETS price):</td>
</tr>
</tbody>
</table>

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 **

ICO₂e/tonne of crude steel

**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

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** | 2023 - 2026: Reporting obligation but no financial adjustment | Starting 2026: CBAM is gradually phased in

**Price** | **Estimated equivalent carbon price for domestic and imported production (i.e. CBAM price = EU ETS price):** | **Until 2030: €60 to €100/ICO₂ / By 2050: up to €200/ICO₂**

* 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

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

EMIRATES STEEL ARKAN. | 16
FOCUS ON PEOPLE – THE BEDROCK OF ESA

World Steel Association Avg vs. ESA LTI Rate

ESA believes that health and safety of employees is one of the key indicators of a successful and balanced ESG program.

In 2022 Lost Time Injury Rate remained at a record level of 0.05, significantly lower than World Steel Association average of 0.81.

We also cooperate with renowned educational institutions such as Khalifa University, Abu Dhabi University, and ACTVET for scholarships, R&D, internships and apprenticeships.

EMSTEEL offers training and coaching programs such as Future Leaders and Masar.

We established Emirates Steel Youth Council and the Women’s Empowerment Committee.

We have launched Career Aspiration Program (CAP) to attract Emirati fresh graduates and prepare them to join the steel industry’s workforce.
MARKET CONTEXT
1. **Markets decoupling** following increased trade barriers caused by geopolitics and intentions to protect from global overcapacities.

2. **Raw material supply chains** need to be secured to limit risks of shortages.

3. Decarbonization requires careful **capex management and balance sheet optimization**.

4. **Technological agility and operational flexibility** will be key to achieve resilience in the face of disruptions.

5. Decarbonization will also cause shifts in the metallics mix, with major increases expected in scrap and direct-reduced iron (DRI).

---

**Global metallics mix forecast**, metric tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Hot Metal</th>
<th>DRI</th>
<th>Home Scrap</th>
<th>Prompt Scrap</th>
<th>Obsolete Scrap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,160</td>
<td>1,281</td>
<td>1,339</td>
<td>1,351</td>
<td>1,274</td>
</tr>
<tr>
<td>2019</td>
<td>2,076</td>
<td>230</td>
<td>309</td>
<td>358</td>
<td>235</td>
</tr>
<tr>
<td>2020</td>
<td>2,075</td>
<td>67</td>
<td>106</td>
<td>309</td>
<td>235</td>
</tr>
<tr>
<td>2021</td>
<td>2,154</td>
<td>91</td>
<td>119</td>
<td>353</td>
<td>240</td>
</tr>
<tr>
<td>2022E</td>
<td>2,097</td>
<td>88</td>
<td>122</td>
<td>371</td>
<td>243</td>
</tr>
<tr>
<td>2026F</td>
<td>2,167</td>
<td>91</td>
<td>155</td>
<td>459</td>
<td>250</td>
</tr>
<tr>
<td>2031F</td>
<td>2,236</td>
<td>207</td>
<td>1,139</td>
<td>534</td>
<td>262</td>
</tr>
</tbody>
</table>

**CAGR, %**

- **+3.8% p.a.**
- **+0.3% p.a.**
- **+0.7% p.a.**
- **+4.0%**
- **+0.9%**
- **+0.9%**
- **+6.0%**
- **−1.2%**

**McKinsey & Company**
STEEL PRODUCTION TO FUEL GCC GROWTH

Global steel production (DRI + Blast Furnace-based), 2021

1,951 Mtpa

Global DRI production 2022

120 Mtpa

CAGR +8%

Global DRI production Forecast by 2030

210 Mtpa

GCC steel production 2022

30 Mtpa

GCC DRI production 2022

26 Mtpa

• DRI covers 70% of total GCC steel production
• Remaining 30% (or 9Mtpa), is covered by scrap and imported DRI

STEEL PRODUCTION IN GCC

GCC countries are set to diversify economy, creating substantial revenues from industrial sector:

UAE // “Operation 300 Billion”: Industrial contribution to UAE GDP to grow from AED 133bn to AED 300bn by 2031

Saudi Arabia // “NIS, National Industrial Strategy”: Industrial contribution to Saudi GDP should grow 2.7x by 2030 vs 2020
The UAE’s GDP is expected to grow by 2.4-3.5%* in 2023, supported by sustained high oil prices as well as by strong non-oil sector performance. Future growth is driven by ambitious state vision programs.

**Ambitious visions to lift non-oil sector’s growth:**
- **“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 contribution of the tourism sector to the GDP to AED 450 billion
  - 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.
UAE ELECTRICITY TARIFF INCENTIVE PROGRAM ("ETIP")

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.

Example of ETIP approach:

**Economic Impact** aims to build a robust value chain in the industrial sector in Abu Dhabi. The following attributes are considered:

(i) Investment in Abu Dhabi;
(ii) Emiratization;
(iii) Skilled Labour;
(iv) Supply Chain.

### Incentivized Tariff per ETIP

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Impact</td>
<td>50%</td>
</tr>
<tr>
<td>Productivity</td>
<td>30%</td>
</tr>
<tr>
<td>Connection Load &amp; Energy Management System</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total Score of Criteria</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

### Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Points</th>
<th>Total Points</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>≥ 80</td>
<td>60 - 79</td>
<td>50 - 59</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Electricity Prices (AED fils/kWh)

- **20 Fils**
- **22 Fils**
- **25 Fils**

* Data from EpexSpot EU power spot market exchange, August 2023. Applied AED/EUR exchange rate as of 31,08.2023

**UAE Standard Tariff for above 1 MW (2023)**

**27** AED fils/kWh

**EU Day-Ahead Non-peak hours (Avg. August 2023)**

c. **35** AED fils/kWh*

* Data from EpexSpot EU power spot market exchange, August 2023. Applied AED/EUR exchange rate as of 31,08.2023
GROWTH STRATEGY
STRATEGY: VISION AND VALUE PILLARS

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

Maximize Current Business Value
Diversify Product Portfolio
Integrated Iron Ore Value Chain

Develop and leverage Green Steel footprint
STRATEGY: MAXIMIZE CURRENT BUSINESS VALUE

A vivid example of this Value Pillar is the Namaa’ project:

• Namaa’ is part of a business transformation process which consolidates all our business improvement ideas (operational and commercial) into one platform that can be controlled and monitored.

• This initiative, which is driven by suggestions and proposals from our workforce, is adding real value to the business, creating clearly documented and monitored links between departments to ultimately deliver commercial benefits.

• The objective of this project is to increase competitiveness and deliver a sustainable EBITDA uplift

The Namaa’ cost reduction and transformation program, launched in 2021, contributed around AED 400 million to the Group’s EBITDA in FY 2022

2022 EBITDA
AED 1.2bn
+51% YoY

Case Study: Namaa’ Sustainability Projects in 2022

In 2022, 23 initiatives were related to sustainability with an estimated savings of USD 27 million at stages L3, L4 and L5 of the stage gate process. Examples:

L4: Electrode Coating System to reduce the consumption of Graphite Electrodes and enhance productivity
L5: Partial replacement (20-25%) of Fe-Si-Mn bulk material with Fe-Si-Mn to reduce the conversion costs in our melt-shops.
ES600: AN EXAMPLE OF PRODUCT DIVERSIFICATION

**ES600** is our new product, a type of rebar with a higher tensile to Yield strength ratio, meaning higher durability.

**ES600** promotes sustainability in construction by **reducing steel usage (by 18-24%)** and, consequently, **reducing concrete usage**.

Lower usage of building materials leads to **reduced logistics** movements by trucks, thereby reducing the carbon footprint further.

On average, **ES600** reduces about **1 ton of CO2 emission per floor** in tower construction. If a 40-storey tower is constructed, about 40t of CO2 emission is reduced.

**REDUCTION IN REBAR CONGESTION**

**ES600** is a designer’s delight as it helps reduce the number of bars and/or the size of rebars, in any structure, while maintaining the load bearing ability of the element.
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

---

**STRATEGY: INTEGRATED IRON ORE VALUE CHAIN**

**ITOCHU**

*TYO: 8001*

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

Employees: ~100k (incl. subsidiaries)

---

**JFE Steel Corporation**

*Subsidiary of JFE Holdings, Inc. – TYO: 5411*

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

Employees: ~46k

---

**High-grade iron ore**

Production start: 2H 2025 (estimated)

**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.

Jamal Salem Al Dhaheri
VICE CHAIRMAN
Al Dhaheri has more than 25 years of experience in management positions across key economic sectors.
He currently sits as the CEO of Abu Dhabi Airports.

Eng. Saeed Ghumran Al Remeithi
BOARD MEMBER
GROUP CEO
Al Remeithi has extensive experience spanning over 20 years in the steel manufacturing sector.
He has been instrumental in growing Emirates Steel Arkan’s manufacturing capability & product range, expanding exports to 60+ global markets.
Al Remeithi started his career at SENAAT before joining Emirates Steel in 2002.

Nabeel Qadir
BOARD MEMBER
Qadir is a seasoned investment professional with 19 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.

Abdulaziz Abdulla Ismail Mohamed Al Hajri
BOARD MEMBER
Al Hajri has over 33 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.

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 Alii Al Mazrui
BOARD MEMBER
Al Mazrui is currently the Head of Investments for Alph 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 20 years of experience in the steel manufacturing sector. He has been instrumental in growing Emirates Steel Arkan’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.

Stephen J Pope  
GROUP CFO  
Pope brings a wealth of experience spanning 37 years in the professional services and industrial sectors. Prior to joining Emirates Steel, he was a partner at KPMG’s Abu Dhabi office, managing audit and corporate finance engagements for clients in the industrial, oil and gas and financial services sectors.

Josem Mohamed Al Khateri  
GROUP CHIEF HUMAN CAPITAL OFFICER  
Al Khateri brings 21 years of professional experience to his role and holds notable expertise in strategic planning management. Prior to joining Emirates Steel, he served as Director of Human Resources at the Department of Economic Development in Abu Dhabi.

Eng. Saeed Khalfan Al Ghafri  
CEO, EMIRATES STEEL  
Al Ghafri brings to his role more than 17 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.

Eng. Hassan Salim Shashaa  
GROUP CHIEF PROJECT OFFICER  
Shashaa brings 40 years of experience 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 SJH in Slovenia. Previously led digitization and supply chain management at United Metallurgical Company in Moscow, Russia.

Angelo Di Martino  
GROUP CHIEF STRATEGY & BUSINESS DEV OFFICER  
Two decades of experience in operational turnarounds, portfolio optimization, and industrial PMO leadership. Former Head of CEO & Strategy Office at ArcelorMittal Italy. Held various positions at McKinsey & Co., Amazon, and Procter & Gamble.

Hugo Losada  
CEO, BUILDING MATERIALS  
With over 20 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.
FINANCIAL AND OPERATIONAL HIGHLIGHTS
# OVERVIEW OF FY 2022 RESULTS

**Revenue**  
AED 9.5bn  
+10% YoY*  

The growth of Group’s Revenue was supported by efforts to diversify sources of income, driven by an expansion of Company’s international footprint to 70 countries from 56 in 2021, a 25% increase.

<table>
<thead>
<tr>
<th><strong>EBITDA</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AED 1.2bn</td>
</tr>
<tr>
<td>+51% YoY</td>
</tr>
</tbody>
</table>

“Namaa” cost reduction and transformation program, launched in 2021, contributed some AED 400 million to the Group’s EBITDA in FY22.

**Net Profit**  
AED 508m  
vs AED 637m  
FY21 Net Loss  

In 2022 significant turnaround in profitability was driven by:  
- Higher steel, cement and clinker selling prices;  
- A tighter control on costs and enhancements in operational efficiencies;  
- Low comparison base due to impairment loss of AED 750m in FY 2021.

**Net Debt**  
AED 1.1bn  
-52% YoY  

Increased profitability and strict working capital control allowed a significant Net Debt reduction.

**LTIFR**  
0.05, unchanged YoY  
vs. WSA** average of 0.81

* FY 2021 financial results used for comparison are calculated on a pro-forma basis, including pre-merger Emirates Steel performance.  
**WSA = World Steel Association
### 9M 2023: RESILIENCE AGAINST MARKET CONDITIONS

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>AED 6.48bn</td>
<td>-9% YoY*</td>
<td>YoY decline in Revenue is explained by high comparison base of 9M 2022 when a global supply-demand imbalance had temporarily pushed up the sales prices for the Group’s products and significant pressure on world commodity steel prices observed in 2Q and 3Q 2023.</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>AED 884mn</td>
<td>+3% YoY</td>
<td>Enhanced efficiency levels across the Group contributed to further improvements in EBITDA, with EBITDA margin for 9M 2023 reaching 13.6% versus 12.1% in 9M 2022.</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>AED 388m</td>
<td>+1% YoY</td>
<td>Net Profit remained almost unchanged thanks to continued stable margins despite reductions in commodity steel prices, supported by a continuing increase in the manufacture and sale of value-added products for both the domestic and export markets and bolstered by the growth in the UAE construction sector.</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>AED 424mn</td>
<td>-61% since Dec 2022</td>
<td>Profit from the main operations as well as continued attention to working capital allowed to further decrease Net Debt to EBITDA ratio as of 30 September 2023, further positioning the Group for future growth.</td>
</tr>
</tbody>
</table>

* FY 2021 financial results used for comparison are calculated on a pro-forma basis, including pre-merger Emirates Steel performance.
## FY 2022 OPERATIONAL & FINANCIAL RESULTS

### STEEL

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production, kt</td>
<td>2,722</td>
<td>3,021</td>
<td>3,211</td>
</tr>
<tr>
<td>Sales, kt</td>
<td>2,325</td>
<td>2,477</td>
<td>2,712</td>
</tr>
</tbody>
</table>

- Crude Steel
- Finished Steel Products

### CEMENT & CLINKER

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production, kt</td>
<td>2,653</td>
<td>2,141</td>
<td>1,832</td>
</tr>
<tr>
<td>Sales, kt</td>
<td>982</td>
<td>1,476</td>
<td>1,764</td>
</tr>
</tbody>
</table>

- Clinker
- Cement

### FINANCIAL RESULTS*

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, AED bn</td>
<td>5.8</td>
<td>8.6</td>
<td>9.5</td>
</tr>
<tr>
<td>EBITDA (AED mn)</td>
<td>3.4%</td>
<td>9.3%</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

* FY 2020 and 2021 results used for comparison are calculated on a pro-forma basis, including pre-merger Emirates Steel performance.

---

Net Debt/ EBITDA FY2022: **0.9**
APPENDIX
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
- Ferrari World
- AD International Airport
- Guggenheim Museum
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Assets, AED mn</th>
<th>9M23</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPE</td>
<td>6.627</td>
<td>6,904</td>
<td>7,239</td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>359</td>
<td>381</td>
<td>451</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>106</td>
<td>107</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>7,091</strong></td>
<td><strong>7,392</strong></td>
<td><strong>7,802</strong></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,901</td>
<td>2,067</td>
<td>2,289</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1,755</td>
<td>1,656</td>
<td>1,637</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>340</td>
<td>357</td>
<td>336</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>3,996</strong></td>
<td><strong>4,080</strong></td>
<td><strong>4,261</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>11,087</strong></td>
<td><strong>11,471</strong></td>
<td><strong>12,064</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and Liabilities</th>
<th>9M23</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net equity</td>
<td>8,116</td>
<td>7,728</td>
<td>7,179</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>455</td>
<td>461</td>
<td>480</td>
</tr>
<tr>
<td>Provision for end of service</td>
<td>198</td>
<td>189</td>
<td>217</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>-</td>
<td>135</td>
<td>270</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>653</strong></td>
<td><strong>785</strong></td>
<td><strong>967</strong></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>764</td>
<td>1,316</td>
<td>2,354</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,522</td>
<td>1,610</td>
<td>1,515</td>
</tr>
<tr>
<td>Loan from a related party</td>
<td>-</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>32</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>2,318</strong></td>
<td><strong>2,958</strong></td>
<td><strong>3,918</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,971</strong></td>
<td><strong>3,743</strong></td>
<td><strong>4,885</strong></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>11,087</strong></td>
<td><strong>11,471</strong></td>
<td><strong>12,064</strong></td>
</tr>
</tbody>
</table>
# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<table>
<thead>
<tr>
<th>AED mn</th>
<th>2022</th>
<th>2021*</th>
<th>9M23</th>
<th>9M22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9,453</td>
<td>3,022</td>
<td>6,484</td>
<td>7,123</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(8,483)</td>
<td>(2,745)</td>
<td>(5,738)</td>
<td>(6,405)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>969</td>
<td>277</td>
<td>746</td>
<td>718</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>(53)</td>
<td>(51)</td>
<td>(38)</td>
<td>(39)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(358)</td>
<td>(163)</td>
<td>(263)</td>
<td>(248)</td>
</tr>
<tr>
<td>Other income</td>
<td>28</td>
<td>8</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Share of profit/(loss) of associates</td>
<td>8</td>
<td>(23)</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Impairment of losses on non-financial assets (net)</td>
<td>-</td>
<td>(750)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance income</td>
<td>5</td>
<td>-</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(90)</td>
<td>(42)</td>
<td>(82)</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>Profit/(loss) for the year</strong></td>
<td>510</td>
<td>(745)</td>
<td>388</td>
<td>383</td>
</tr>
<tr>
<td>Basic and diluted profit/(loss) per share (AED)</td>
<td>0.074</td>
<td>(0.245)</td>
<td>0.057</td>
<td>0.056</td>
</tr>
</tbody>
</table>

* FY 2021 results are presented as published in the Financial Statement – they do not include pre-merger Emirates Steel performance. Merger was complete in October 2021.
## CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>AED mn</th>
<th>2022</th>
<th>2021*</th>
<th>9M23</th>
<th>9M22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash flows before movements in working capital</td>
<td>1,179</td>
<td>316</td>
<td>890</td>
<td>924</td>
</tr>
<tr>
<td>Net movements in working capital</td>
<td>303</td>
<td>513</td>
<td>(37)</td>
<td>224</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,482</td>
<td>829</td>
<td>854</td>
<td>1,148</td>
</tr>
<tr>
<td>Employees’ end of service benefit paid</td>
<td>(12)</td>
<td>(6)</td>
<td>(7)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>1,470</td>
<td>823</td>
<td>846</td>
<td>1,138</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(157)</td>
<td>(67)</td>
<td>(100)</td>
<td>(269)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(1,292)</td>
<td>(752)</td>
<td>(763)</td>
<td>(710)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td><strong>21</strong></td>
<td><strong>4</strong></td>
<td><strong>(17)</strong></td>
<td><strong>159</strong></td>
</tr>
</tbody>
</table>

* FY 2021 results are presented as published in the Financial Statement – they **don’t include pre-merger Emirates Steel performance**. Merger was complete in October 2021.
THANK YOU

Gleb Diachkov-Gertcev
Director of Investor Relations
ir@emiratessteel.com