

حديد الإمارات أركان
emirates steel arkan

INVESTOR PRESENTATION

September 2023

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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

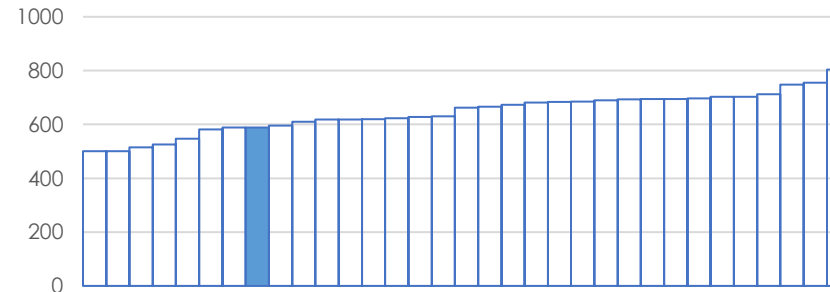
FY22
**Revenue of
AED 9.5 bn**
**EBITDA of
AED 1.2 bn**

Cement
production
capacity:
4.6 mtpa

Cement plant
using gas for
power
generation,
10 years old

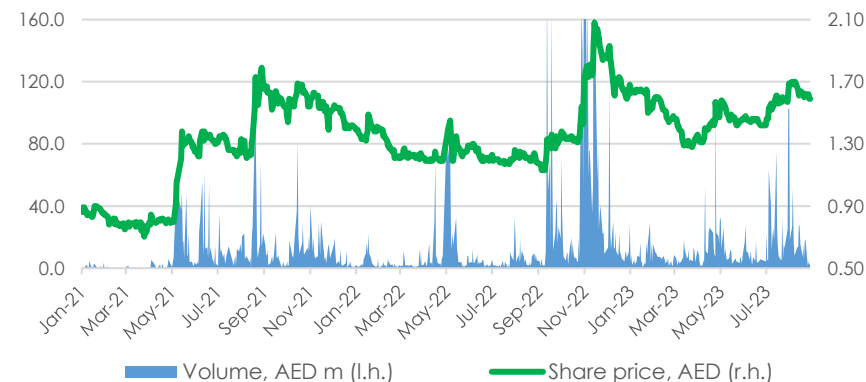
Emirates Steel Arkan is among the top 30% cheapest steel mills on the global cost curve*

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



ADX: EMSTEEL

MCAP: AED 11bn** // ADTV: AED 24m***

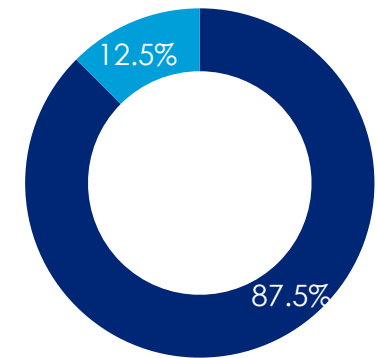


Merged in Oct 2021



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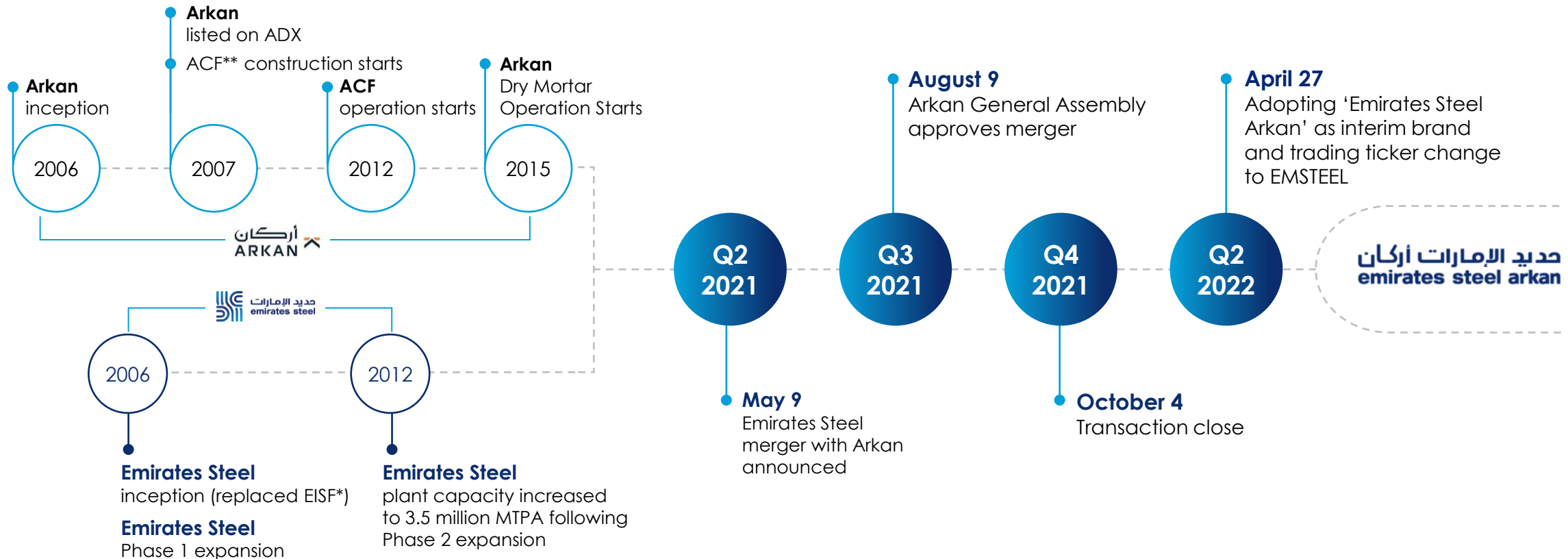
Ownership structure



■ ADQ ■ Free Float

*Company data. Independent 3rd party analysis confirms these estimates **Market CAP as of 31.08.2023
***Average Daily Trading Volume is calculated over the last 12 months as of 31.08.2023

MERGER RECAP: KEY MILESTONES



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



United Arab Emirates

Abu Dhabi (Steel Division)

Al Ain (Cement Division)

Steel sales, FY22:

61%

Domestic sales volume



39%

Export sales volume

The Group exports steel products to more than **70** countries.

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

OUR PRODUCT LINES



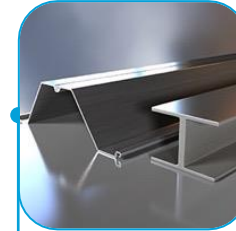
A leading producer of high-quality **rebar** with a production capacity of 2 million tonnes annually.



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.



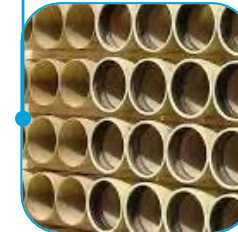
Steel billets are processed into rebar, wire rod or coil in the Group's rolling mills.



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.



OUR STEEL DIVISION

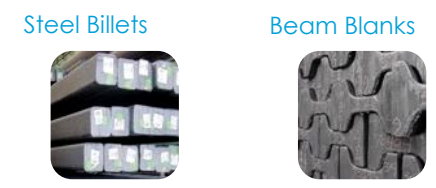
Plants, Production Process and Products



Three Direct Reduction Plants with a capacity of **4.2 MTPA**



Three Steel Making Plants with a capacity of **3.6 MTPA**



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

- 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

Rebar, Wire Rod, Sheet Piles and Heavy Sections

<p>Sheet Piles</p> 	<p>Heavy Sections</p> 
<p>Rebar</p> 	<p>Rebar In Coils</p> 
<p>Wire Rod</p> 	

HOW WE MAKE OUR STEEL

MATERIAL HANDLING

JETTY AREA
Unloading of iron ore, the steel raw material

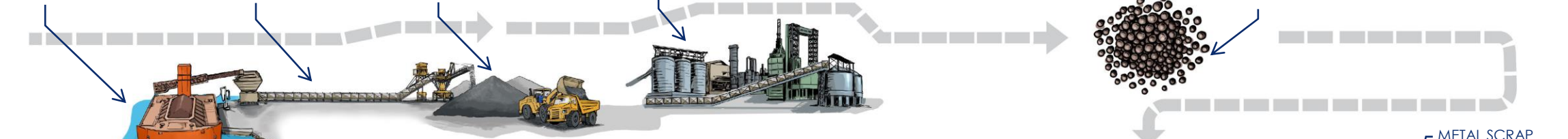
CONVEYOR BELT
transports the iron ore to the stock yard

IRON ORE
is stocked in yards ready for steel production

Natural gas-based direct reduction process to reduce iron oxides to metallic iron at temperatures below the melting point of iron

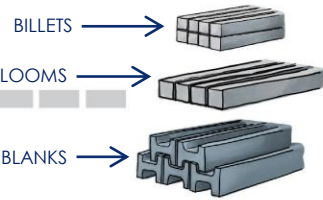
DIRECT REDUCTION PLANT (DRP)

DIRECT REDUCED IRON (DRI)
hot and cold DRI produced from the direct reduction of iron ore is a key EAF raw material



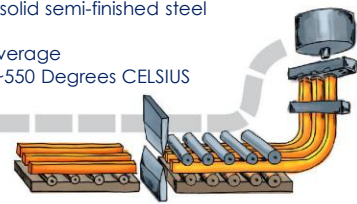
STEEL MAKING

SEMI-FINISHED STEEL PRODUCTS (SEMIS)



CONTINUOUS CASTING MACHINE (CCM)

- converting liquid steel into solid semi-finished steel products
- Continuous process with average temperature of about 500~550 Degrees CELSIUS

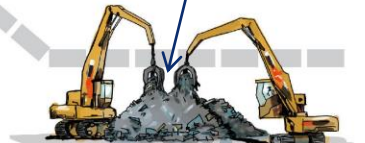


Electric ARC FURNACE (EAF)

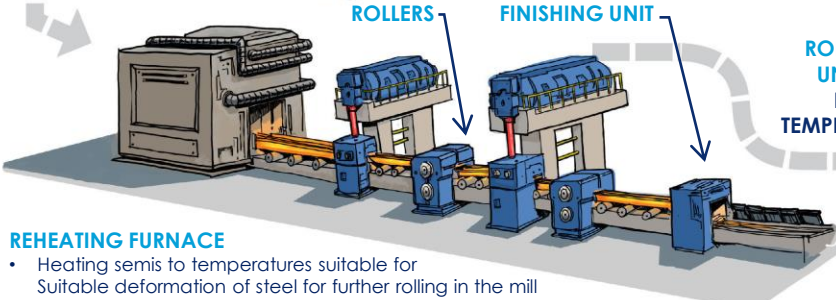
DRI and scrap are heated and melted by heat of electric arcs striking between the furnace electrodes and the metal bath



METAL SCRAP
an alternative EAF raw material for feed mix flexibility



LADLE
Heating, Refining and chemistry adjustment



REHEATING FURNACE

- Heating semis to temperatures suitable for suitable deformation of steel for further rolling in the mill
- Temp. range is about 1150~1250 DegREES CELSIUS

ROLLING MILLS

ROLLING STANDS AND FINISHING UNITS ARE USED TO GIVE FINAL PRODUCT DIMENSION WITH TEMPERATURE ABOUT 900~1000 DEGC



OUR STEEL PRODUCTS

OUR BUILDING MATERIALS DIVISION

Al Ain Cement Factory



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KEY ESG CREDENTIALS

OUR NET-ZERO ROADMAP

We are committed to reducing our carbon emissions by 40% by 2030 (vs 2019 baseline) and work towards achieving Net Zero emissions by 2050

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- **44%** lower emissions than WSA average in 2019
- **Globally first steel company** using CCUS 800,000t CO₂ annually
- **Clean electricity** utilization
- **Decarbonization** roadmap



40%
emissions
reductions

2030



NET ZERO

2050

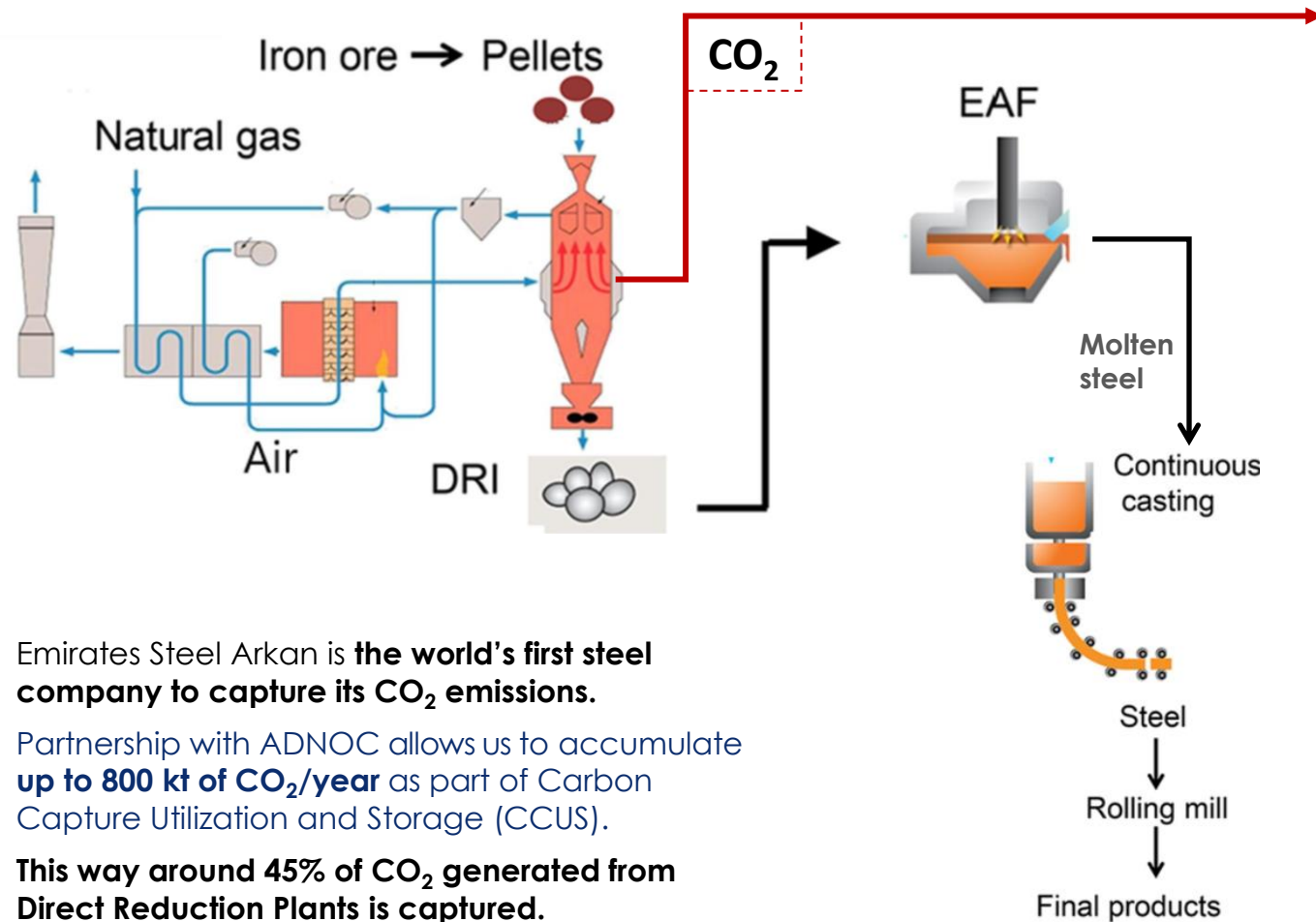
How

- **Clean and Green Power**
- Sustainable **Value Chain**
- **CCUS**
- **Energy Innovation** (clean H₂ and energy efficiency)
- **Scrap utilization**
- **Strategic Partnerships**

Why

- **Industry mobilization**
- **Regulatory requirements**
- **Consumer demand**
- **Urgency** to achieve Paris Agreement targets

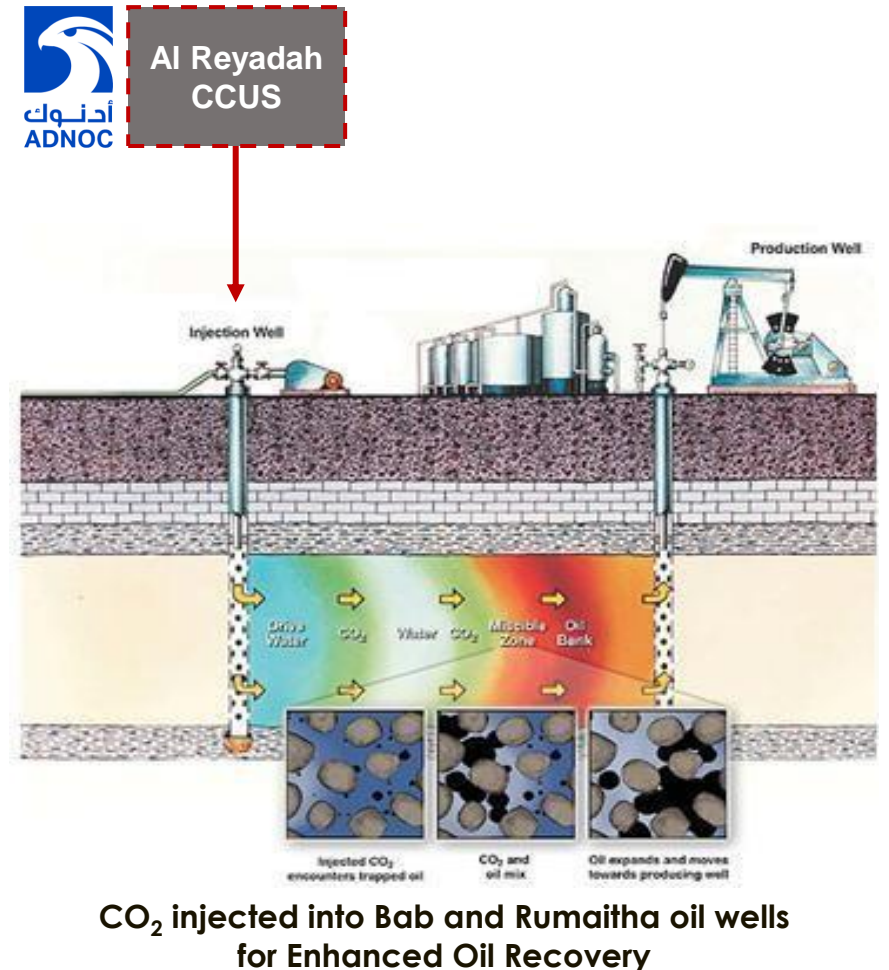
FIRST STEELMAKER WORLDWIDE TO CAPTURE ITS CO₂ EMISSIONS



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).

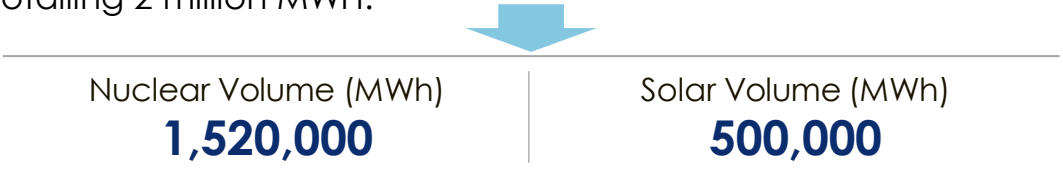
This way around 45% of CO₂ generated from Direct Reduction Plants is captured.



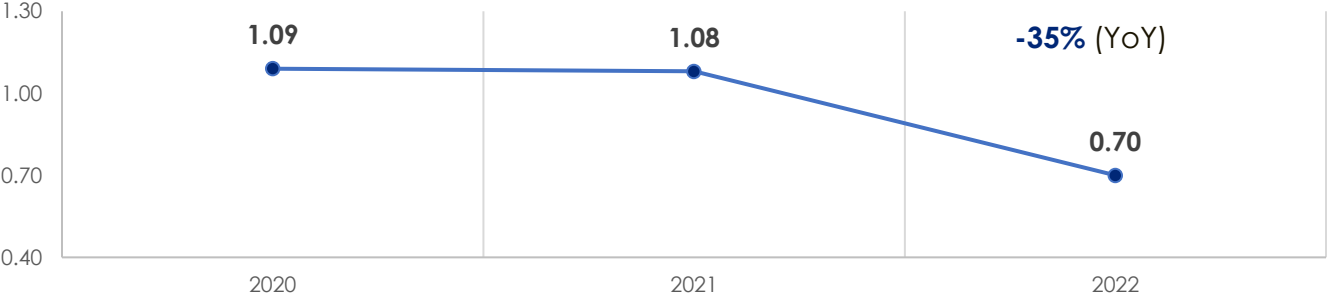
... ACTIVELY IMPLEMENTING AN INDUSTRY-LEADING SUSTAINABILITY PROGRAM

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.



EMSTEEL // Sum of Scope 1&2 carbon emissions in steel business
tCO₂e/tonne of crude steel



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.

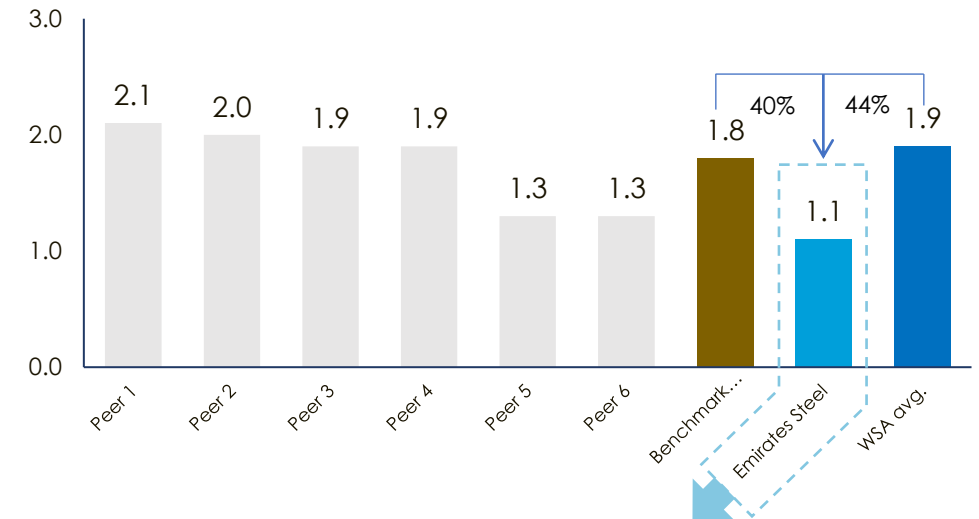
There is a **regulatory trend** to report and price GHG emissions at the border of large economic regions – main example CBAM in EU

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	<div style="display: flex; align-items: center;"> <div style="text-align: center;"> <p><u>2023 - 2026:</u> Reporting obligation but no financial adjustment</p> </div> <div style="font-size: 2em; margin: 0 10px;">→</div> <div style="text-align: center;"> <p><u>Starting 2026:</u> CBAM is gradually phased in</p> </div> </div>
Price	<p>Estimated equivalent carbon price for domestic and imported production (i.e. CBAM price = EU ETS price):</p> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Until 2030: €60 to €100/tCO₂ / By 2050: up to €200/tCO₂*</p> </div>

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



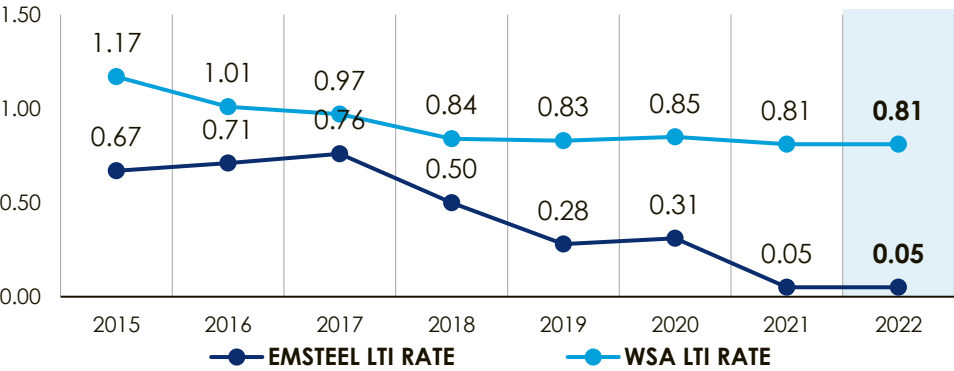
Low CO₂ footprint is a competitive advantage and can drive growth of EMSTEEL profitability

*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

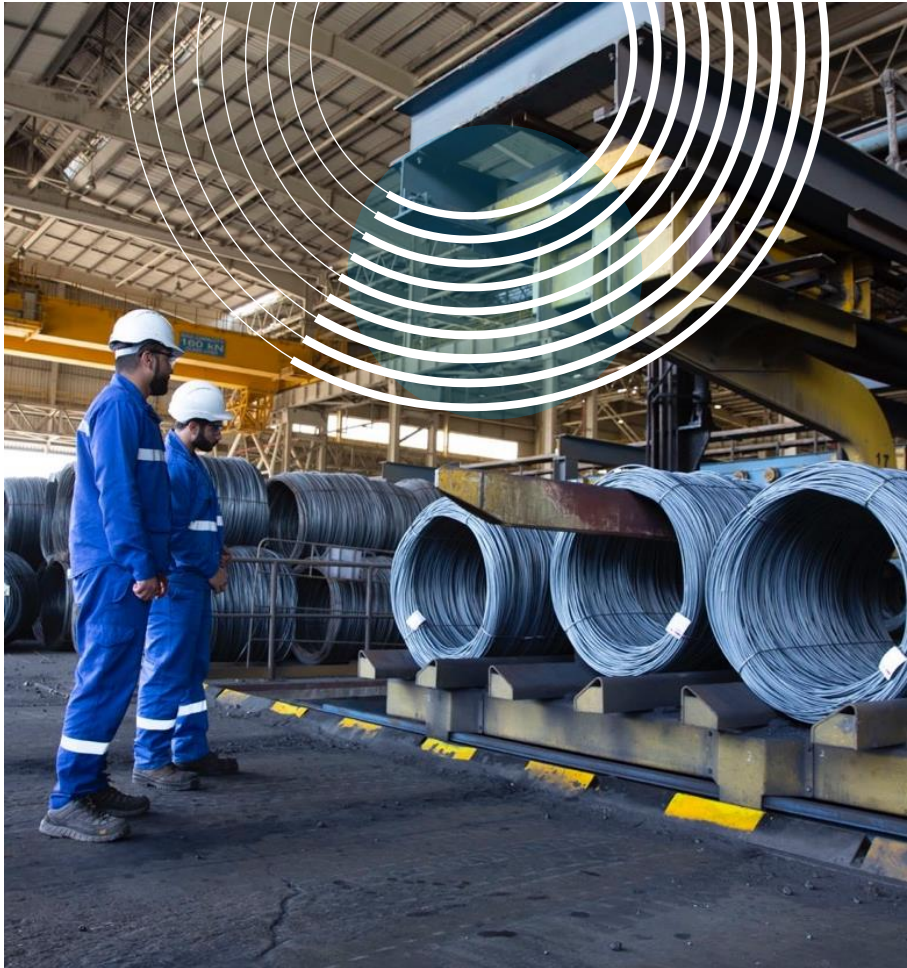
FOCUS ON PEOPLE – THE BEDROCK OF ESA

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.



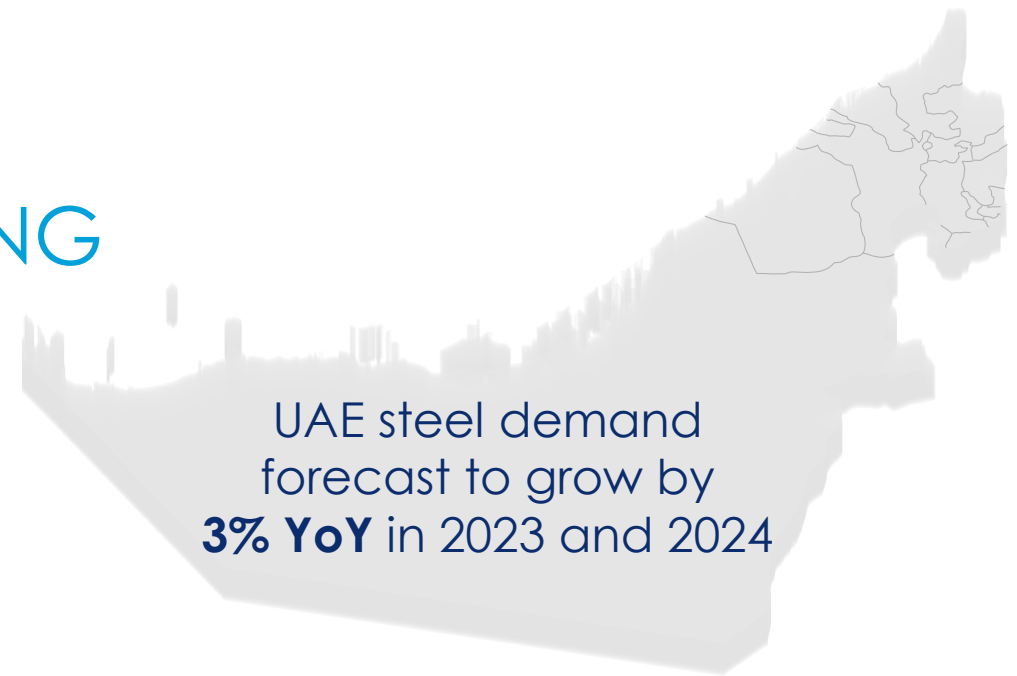
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MARKET CONTEXT

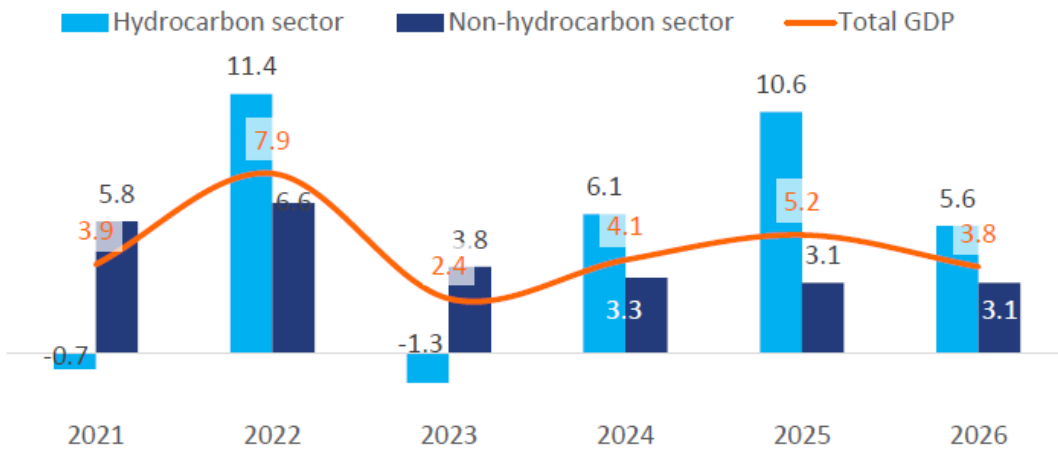


UAE IS SET TO CONTINUE GROWING

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.



GDP Growth Current and Projected UAE



Source: Oxford Economics

* According to Oxford Economics and UBS Global Wealth Management, respectively.

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.

Incentivized Tariff per ETIP

Criteria	Weight
Economic Impact	50%
Productivity	30%
Connection Load & Energy Management System	20%
Total Score of Criteria	100%

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.

Categories		
Category A	Category B	Category C
Total Points ≥ 80	Total Points 60 - 79	Total Points 50 - 59
Electricity Prices (AED fils/kWh)		
20 Fils	22 Fils	25 Fils



UAE Standard Tariff for above 1 MW (2023)

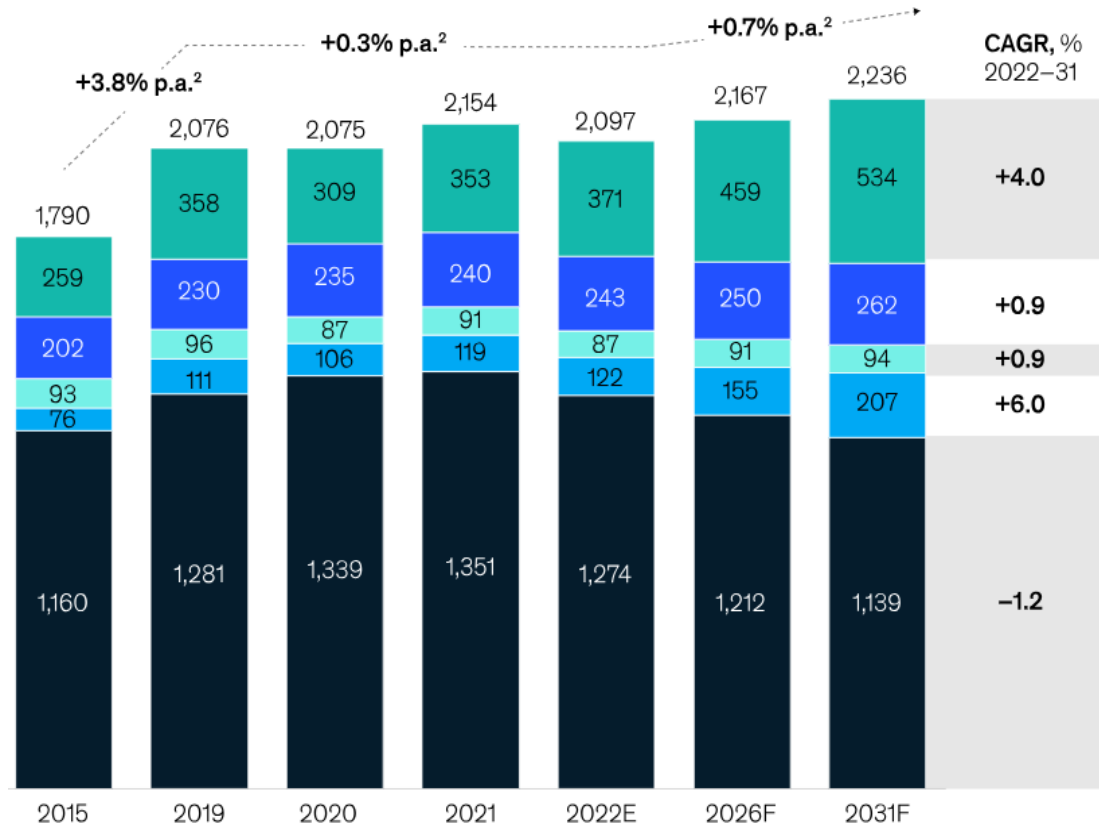
27 AED fils/kWh

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

GLOBAL TRENDS AFFECTING THE STEEL MARKET



Global metallics mix forecast, metric tons

Hot metal DRI Home scrap Prompt scrap Obsolete scrap

- Markets decoupling** following increased trade barriers caused by geopolitics and intentions to protect from global overcapacities.
- Raw material supply chains** need to be secured to limit risks of shortages.
- Decarbonization requires careful **capex management and balance sheet optimization**.
- Technological agility and operational flexibility** will be key to achieve resilience in the face of disruptions.
- Decarbonization will also cause **shifts in the metallics mix**, with major increases expected in scrap and direct-reduced iron (DRI).

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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

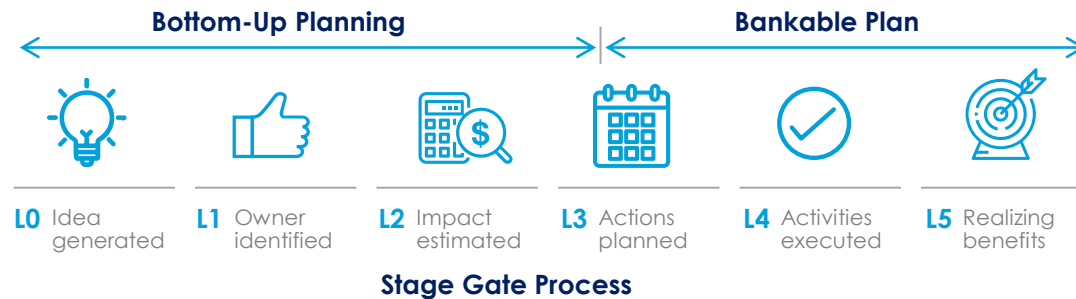


STRATEGY: MAXIMIZE CURRENT BUSINESS VALUE



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:

- L3: Waste Heat Recovery Project for the Al Ain Cement Plant // Utilizing waste heat to generate 13-15 MW of power
- 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.

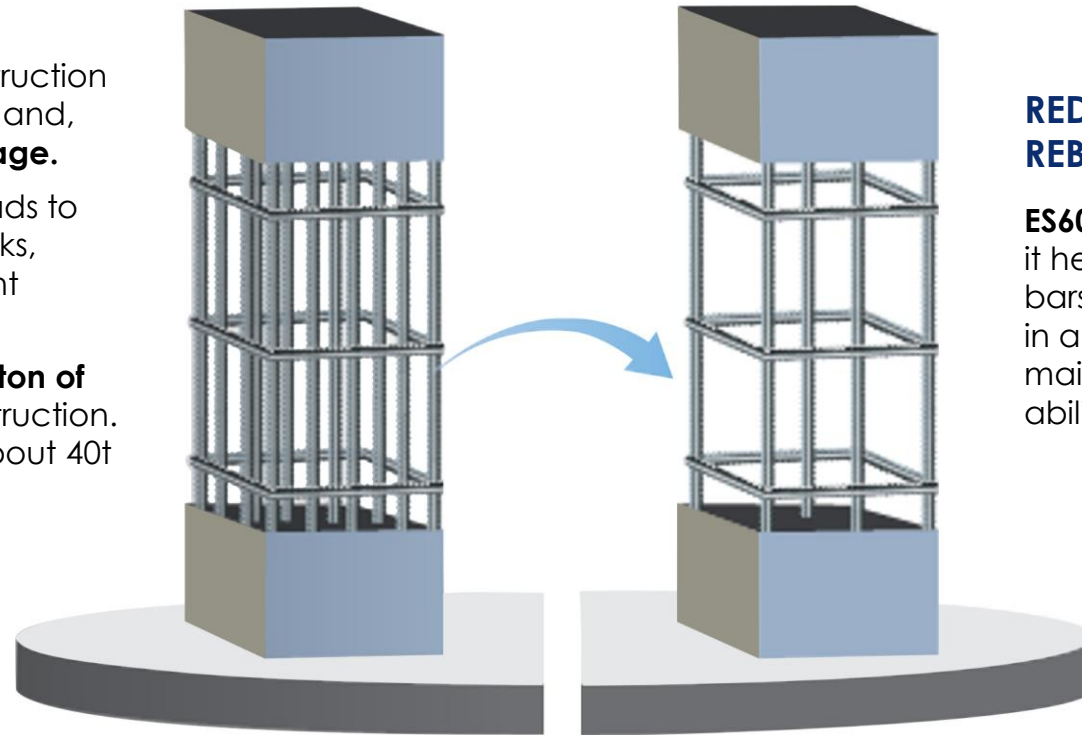
ES600: AN EXAMPLE OF PRODUCT DIVERSIFICATION

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.



STRATEGY: 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

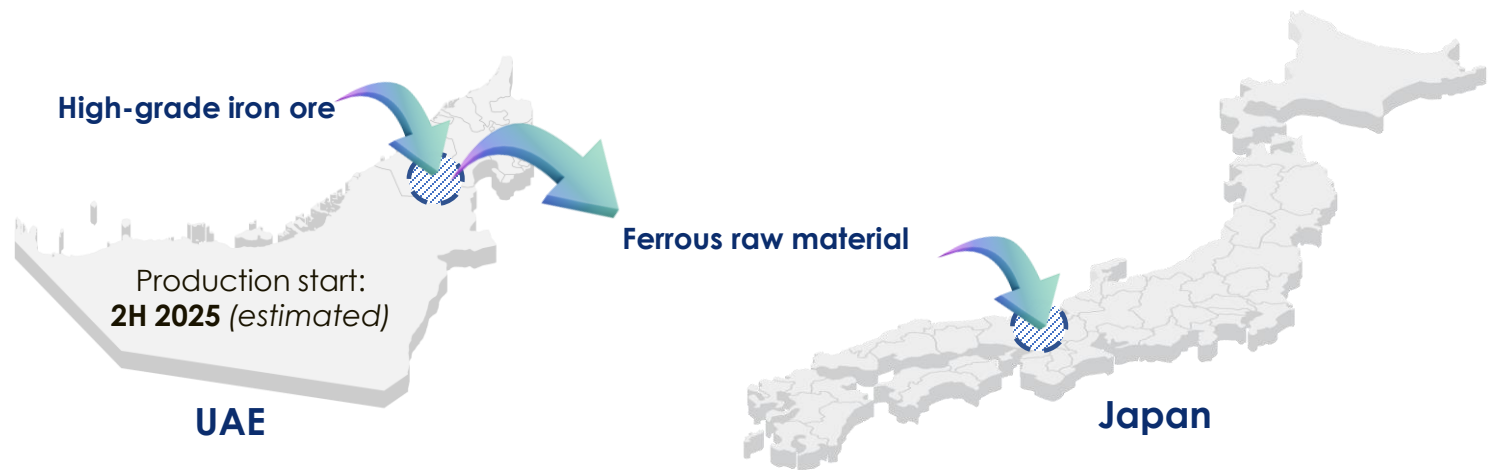
Subsidiary of JFE Holdings, Inc. – TYO: 5411

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





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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 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 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.



Jasem 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 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.



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.



Saeed Al Dhaheer

CEO & VP COMMERCIAL, BUILDING MATERIALS

Nearly 20 years' experience in corporate growth strategy development.

Held numerous senior positions at Arkan Building Materials PJSC over 16 years, including Acting General Manager and General Manager of Al Ain Cement Facility, as well as VP Projects & Assets.



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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

EBITDA
AED **1.2bn**
+51% YoY

"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

1 H 2023: RESILIENCE AGAINST MARKET CONDITIONS

Revenue
AED **4.43bn**
+4% YoY*

Marginal YoY decline in Revenue is explained by high comparison base of 1H 2022 when a global supply-demand imbalance had temporarily pushed up the sales prices for the Group's products.

EBITDA
AED **612mn**
+3% YoY

Enhanced efficiency levels across the Group contributed to further improvements in EBITDA, with EBITDA margin for 1H 2023 reaching 13.8% versus 12.9% in 1H 2022.

Net Profit
AED **508m**
Unchanged YoY

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.

Net Debt AED **644mn**
-41% since Dec 2022

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 June 2023, further positioning the Group for future growth.



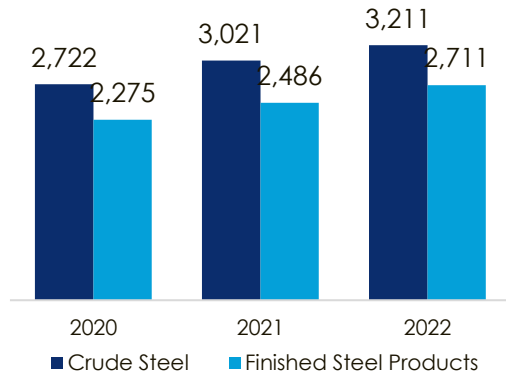
**Net Debt/
LTM EBITDA**
0.5

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

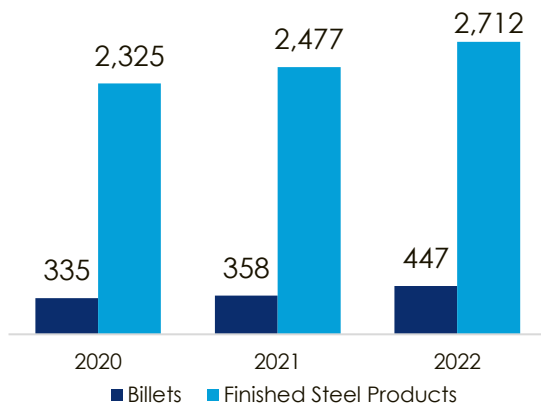
FY 2022 OPERATIONAL & FINANCIAL RESULTS

STEEL

Production, kt

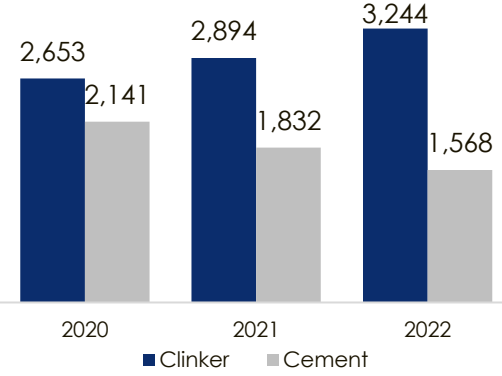


Sales, kt

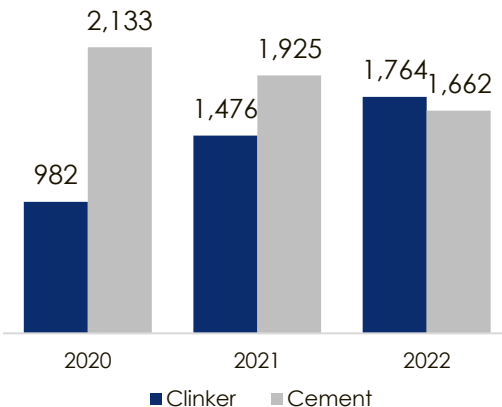


CEMENT & CLINKER

Production, kt

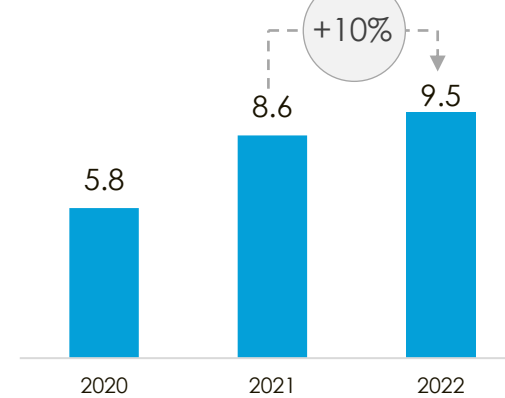


Sales, kt

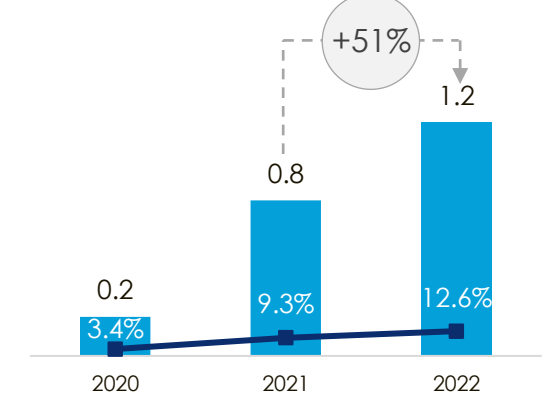


FINANCIAL RESULTS*

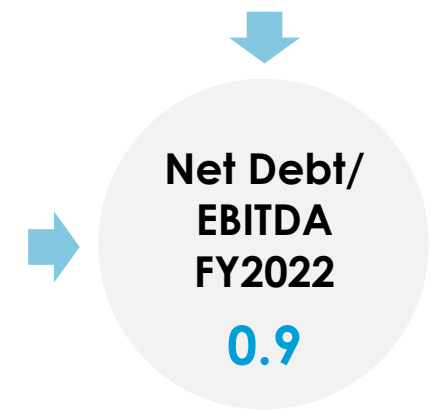
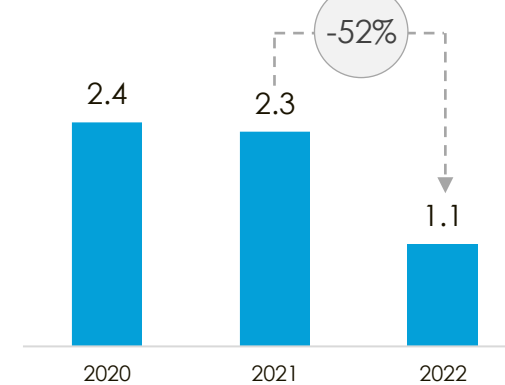
Revenue, AED bn



EBITDA (AED mn) & EBITDA Margin



Net Debt, AED bn



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

حديد الإمارات أركان
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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

Assets, AED mn	1H23	2022	2021
Non-current assets			
PPE	6,706	6,904	7,239
Goodwill	-	-	14
Right-of-use assets	366	381	451
Other non-current assets	101	107	99
Total non-current assets	7,173	7,392	7,802
Current assets			
Inventories	1,800	2,067	2,289
Trade and other receivables	1,778	1,656	1,637
Cash and cash equivalents	514	357	336
Total current assets	4,092	4,080	4,261
Total assets	11,265	11,471	12,064

Equity and Liabilities	1H23	2022	2021
Net equity	8,009	7,728	7,179
Non-current liabilities			
Lease liabilities	463	461	480
Provision for end of service	195	189	217
Bank borrowings	68	135	270
Total non-current liabilities	725	785	967
Current liabilities			
Bank borrowings	1,090	1,316	2,354
Trade and other payables	1,403	1,610	1,515
Loan from a related party	18	18	18
Lease liabilities	19	14	31
Total current liabilities	2,531	2,958	3,918
Total liabilities	3,256	3,743	4,885
Total equity and liabilities	11,265	11,471	12,064

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AED mn	2022	2021*	1H23	1H22
Revenue	9,453	3,022	4,430	4,612
Cost of sales	(8,483)	(2,745)	(3,921)	(4,100)
Gross profit	969	277	509	511
Selling and distribution expenses	(53)	(51)	(25)	(28)
General and administrative expenses	(358)	(163)	(158)	(173)
Other income	28	8	3	-
Share of profit/(loss) of associates	8	(23)	4	2
Impairment of losses on non-financial assets (net)	-	(750)	-	-
Finance income	5	-	4	-
Finance cost	(90)	(42)	(56)	(33)
Profit/(loss) for the year	510	(745)	280	280
Basic and diluted profit/(loss) per share (AED)	0.074	(0,245)	0.041	0.041

* 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

AED mn	2022	2021*	1H23	1H22
Cash flows from operating activities				
Operating cash flows before movements in working capital	1,179	316	629	612
Net movements in working capital	303	513	(84)	292
Cash generated from operations	1,482	829	545	904
Employees' end of service benefit paid	(12)	(6)	(6)	(7)
Net cash generated from operating activities	1,470	823	539	897
Net cash used in investing activities	(157)	(67)	(53)	(103)
Net cash used in financing activities	(1,292)	(752)	(328)	(456)
Net increase in cash and cash equivalents	21	4	157	338

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THANK YOU



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