EMSTEEL Building Materials PJSC

Reports and Interim Condensed Consolidated Financial Statements

For the six-month period ended 30 June 2026

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Board of Directors' Report to the shareholders
for the six-month period ended 30 June 2026

On behalf of EMSTEEL Building Materials PJSC's Board of Directors ("EMSTEEL", the "Company" or the "Group"), I am pleased to present the Board of Directors' report for the six-month period ended 30 June 2026, together with the interim condensed consolidated financial statements for the period.

Strong financial performance in a volatile environment

EMSTEEL Building materials PJSC is the leading and largest UAE integrated Steel and Building Materials (Cement and Blocks) Company. The Company has a compelling strategic proposition and strong potential for growth both in the UAE and internationally.

The Group managed to realise a strong financial performance in the first six months of 2026 despite the regional developments since 28 February 2026. During the second quarter of 2026, geopolitical developments in certain parts of the Middle East continued to evolve. While regional uncertainties remained, market conditions generally stabilized compared with the heightened volatility experienced during the first quarter of 2026. The negative impact in the period from higher logistic costs and lower exports was partially offset by operational excellence and tight cost management.

As the UAE's national industrial champion, EMSTEEL continues to prioritize market stability, supply continuity, and support for national projects. This position reflects the company's long-term commitment to the UAE economy and its role in strengthening industrial resilience.

The Group is well placed to scale and grow, create new business opportunities and ensure that homegrown manufacturers are at the forefront of driving a sustainable, diversified national economy.

Financial performance in the six-month period ended 30 June 2026

The Group's revenue in the first six months of 2026 was AED 4,558 million compared to AED 4,300 million in the same period in 2025. The Group's operating profit for the period was AED 621 million, compared to AED 243 million in the first six months of 2025.

Review of operations

- Emirates Steel

Revenue from Emirates Steel totalled AED 4,002 million for the first six months of 2026 against AED 3,872 million in the equivalent period in 2025. Operating profit for the Steel Division for the first six months of 2026 was AED 491 million as compared to AED 166 million for the same period in 2025. The level of profitability delivered demonstrates the operational efficiencies, cost management and current favourable market conditions.

- Emirates Cement and Blocks

Revenue from the Cement and Blocks division was AED 556 million for the first six months of 2026, compared to AED 338 million in the equivalent period in 2025. Operating profit for this segment for the first six months of 2026 was AED 130 million as compared to a profit of AED 55 million for the same period in 2025.

The Group disposed of non-core Anabeeb division, comprising the PVC Pipes, GRP Pipes and Bags business units on 31 December 2025 which reported revenue and operating profits of AED 90 million and AED 22 million, respectively, in first six months of 2025.

Board of Directors’ Report to the shareholders (continued)
for the six-month period ended 30 June 2026

Liquidity

The Group held cash and cash equivalents of AED 1,639 million as of 30 June 2026 (31 December 2025: AED 1,165 million).

Taxation

The provision of AED 56 million (2025: AED 18 million) for taxation in the six-month period reflects an effective tax rate of 9.13% (2025: 8.65%).

Total assets and shareholders’ equity

The total assets of the Group equalled AED 11,761 million at 30 June 2026 (31 December 2025: AED 11,177 million). The value of shareholders’ equity was at AED 9,804 million as of 30 June 2026 compared to AED 9,244 million as of 31 December 2025.

On behalf of the Board of Directors

Hamad A. Al Hammadi

Chairman

30 July 2026

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF

EMSTEEL BUILDING MATERIALS PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of EMSTEEL Building Materials PJSC (the "Company") and its subsidiaries (the "Group") as at 30 June 2026, comprising of the interim condensed consolidated statement of financial position as at 30 June 2026 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three and six months then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "*Interim Financial Reporting*".

For Ernst & Young

Walid J Nakfour
Registration No: 5479

30 July 2026
Abu Dhabi, United Arab Emirates

Interim Condensed Consolidated Statement of Financial Position
as at 30 June 2026

	Notes	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,138,593	6,241,098
Right-of-use assets	12	194,994	206,946
Investment property	6	10,780	11,137
Intangible assets	7	64,273	62,257
Total non-current assets		6,408,640	6,521,438
Current assets			
Inventories	8	2,060,155	1,940,293
Trade and other receivables	9	1,652,690	1,550,362
Cash and bank balances	10	1,639,133	1,164,615
Total current assets		5,351,978	4,655,270
Total assets		11,760,618	11,176,708
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		6,850,000	6,850,000
Statutory reserve		344,211	288,162
Merger reserve		1,092,817	1,092,817
Capital reserve		3,783	3,783
Other reserves		44,239	44,239
Retained earnings		1,469,214	964,775
Total equity		9,804,264	9,243,776
Non-current liabilities			
Lease liabilities	12	314,977	323,075
Provision for employees' end of service benefits		159,867	159,846
Deferred tax liability		17,224	17,224
Total non-current liabilities		492,068	500,145
Current liabilities			
Trade and other payables	14	1,192,143	1,166,532
Current tax payable		106,787	50,497
Due to related party	11	151,936	202,866
Lease liabilities	12	13,420	12,892
Total current liabilities		1,464,286	1,432,787
Total liabilities		1,956,354	1,932,932
TOTAL EQUITY AND LIABILITIES		11,760,618	11,176,708

To the best of our knowledge, the interim condensed consolidated financial statements included in the report present in all material respects the consolidated financial condition, consolidated results of operation and consolidated cash flows of the Group as of 30 June 2026, and for the periods presented in the report.

Hamad A. Al Hammadi	Saeed G. Al Remeithi	Mark J.S. Tonkens
Chairman	*Director and Group Chief Executive Officer*	*Group Chief Financial Officer*

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Profit or Loss
for the three and six-month period ended 30 June 2026

		Three-month period ended 30 June		Six-month period ended 30 June	
		2026	2025	2026	2025
		AED'000	AED'000	AED'000	AED'000
	Notes	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	15	**2,389,599**	2,144,385	**4,557,557**	4,300,360
Direct costs		**(1,976,954)**	(1,870,995)	**(3,718,558)**	(3,786,584)
Gross profit		**412,645**	273,390	**838,999**	513,776
Selling and distribution expenses		**(17,261)**	(18,022)	**(27,372)**	(29,394)
General and administrative expenses		**(101,354)**	(126,953)	**(198,855)**	(247,215)
Other (expense) / income (net)		**(2,639)**	(726)	**7,918**	6,017
Operating profit		**291,391**	127,689	**620,690**	243,184
Finance costs		**(11,486)**	(18,453)	**(20,817)**	(43,798)
Finance income		**9,757**	2,529	**16,905**	6,402
Profit before tax for the period		**289,662**	111,765	**616,778**	205,788
Income tax expense	18	**(27,900)**	(10,059)	**(56,290)**	(17,793)
Profit for the period		**261,762**	101,706	**560,488**	187,995
Basic and diluted earnings per share	19	**0.038**	0.015	**0.082**	0.027

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

for the three and six-month period ended 30 June 2026

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	**2025**	**2026**	**2025**
	AED'000	**AED'000**	**AED'000**	**AED'000**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Profit for the period	**261,762**	101,706	**560,488**	187,995
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the period	**261,762**	101,706	**560,488**	187,995

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity
for the six-month period ended 30 June 2026

	Share capital AED'000	Statutory reserve AED'000	Merger reserve AED'000	Capital reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Net equity AED'000
As at 1 January 2025 (audited)	6,850,000	235,900	1,092,817	3,783	43,566	494,421	8,720,487
Total comprehensive income for the period	-	-	-	-	-	187,995	187,995
Transfer to statutory reserve	-	18,800	-	-	-	(18,800)	-
As at 30 June 2025 (unaudited)	6,850,000	254,700	1,092,817	3,783	43,566	663,616	8,908,482
As at 1 January 2026 (audited)	**6,850,000**	**288,162**	**1,092,817**	**3,783**	**44,239**	**964,775**	**9,243,776**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**560,488**	**560,488**
Transfer to statutory reserve	**-**	**56,049**		**-**	**-**	**(56,049)**	**-**
As at 30 June 2026 (unaudited)	**6,850,000**	**344,211**	**1,092,817**	**3,783**	**44,239**	**1,469,214**	**9,804,264**

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows
for the six-month period ended 30 June 2026

	Notes	Six-month period ended 30 June 2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the period		**616,778**	205,788
Adjustments for:			
– Depreciation of property, plant and equipment	5	**303,377**	286,496
– Depreciation of right-of-use assets	12	**7,256**	4,760
– Amortisation of intangible assets	7	**8,907**	9,652
– Depreciation of investment property	6	**357**	354
– Allowance/ (reversal) of impairment loss on financial assets	9	**5,632**	(786)
– Outstanding receivable for sale of Anabeeb written off	9	**6,460**	-
– (Reversal) / allowance for impairment of inventories, net	8	**(759)**	21,381
– Reversal of depreciation related to impaired assets		**-**	(4,401)
– Employees' end of service benefits charge		**7,447**	8,041
– Finance costs		**20,817**	43,798
– Finance income		**(16,905)**	(6,402)
Operating cash flows before movements in working capital		**959,367**	568,681
Movements in working capital:			
– Increase in inventories		**(119,103)**	(468,740)
– (Increase)/ decrease in trade and other receivables		**(138,389)**	47,564
– Increase in trade and other payables		**25,611**	77,868
– Decrease in due to related party		**(50,930)**	-
Cash generated from operations		**676,556**	225,373
Employees' end of service benefits paid		**(7,426)**	(11,448)
Net cash generated from operating activities		**669,130**	213,925
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment		**(200,872)**	(125,612)
Payments for purchase of intangible assets	7	**(10,923)**	(20,381)
Proceed from sale of Anabeeb	9	**23,969**	-
Interest received		**16,905**	6,402
Net cash used in investing activities		**(170,921)**	(139,591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	13	**270,095**	997,356
Repayment of borrowings		**(270,095)**	(1,201,119)
Interest paid		**(10,453)**	(37,716)
Payment of lease liabilities	12	**(13,238)**	(2,422)
Net cash used in financing activities		**(23,691)**	(243,901)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**474,518**	(169,567)
Cash and cash equivalents at the beginning of the period		**1,164,615**	823,294
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	**1,639,133**	653,727

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026

1. General information

EMSTEEL Building Materials PJSC ("EMSTEEL" or the "Company") was incorporated in Abu Dhabi, United Arab Emirates ("UAE") as a Public Joint Stock Company pursuant to Ministerial Resolution No. 228 for the year 2006.

General Holding Corporation PJSC ("SENAAT" or the "Parent Company") owned 51% of the Company's shares; this ownership interest was increased to 87.5% on 6 October 2021 as a result of the sale of its 100% interest in the issued share capital of Emirates Steel Industries PJSC to the Company for the issue of 5.1 billion additional EMSTEEL ordinary shares. The ultimate parent company of EMSTEEL is Abu Dhabi Developmental Holding Company PJSC ("ADQ") which is wholly owned by the Government of Abu Dhabi.

The principal activities of the Group include operating, trading and investing in industrial projects and commercial companies involved in the steel and building materials sectors.

These interim condensed consolidated financial statements include the performance and financial position of the Company and its subsidiaries (collectively referred to as the "Group").

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 30 July 2026.

2. New Standards, Interpretations and Amendments adopted by the Group

2.1 New and amended standards issued and effective

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amendments effective as of 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments;
- Annual Improvements to IFRS Accounting Standards — Volume 11. The pronouncement comprises the following amendments:
  - IFRS 1: Hedge accounting by a first-time adopter;
  - IFRS 7: Gain or loss on derecognition;
  - IFRS 7: Disclosure of deferred difference between fair value and transaction price;
  - IFRS 7: Introduction and credit risk disclosures;
  - IFRS 9: Lessee derecognition of lease liabilities;
  - IFRS 9: Transaction price;
  - IFRS 10: Determination of a 'de facto agent'; and
  - IAS 7: Cost method;
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity.

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

2. New Standards, Interpretations and Amendments adopted by the Group (continued)

2.2 New and amended standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 18 Presentation and Disclosures in Financial Statements (effective from 1 January 2027);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027);
- Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency (effective from 1 January 2027)
- Amendments to IFRS 10 and IAS 28 regarding Sale or Contribution of Assets between an investor and its associate or joint venture (effective date not yet decided);
- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 (effective date not yet decided)

The Group does not expect that the adoption of these new and amended standards and interpretations, other than IFRS 18, will have a material impact on its interim condensed consolidated financial statements. The Group is currently working to identify the impacts of IFRS 18 will have on the interim condensed consolidated financial statements and its notes.

There are no other applicable new standards and amendments, published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial statements of the Group.

3. Basis of preparation and Group's material accounting policies

Basis of preparation

Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

These interim condensed consolidated financial statements do not include all of the information all disclosures required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. In addition, results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

3. Basis of preparation and Group's material accounting policies (continued)

Basis of preparation (continued)
Basis of measurement
These interim condensed consolidated financial statements have been prepared under the historical cost basis.

Functional and presentation currency
These interim condensed consolidated financial statements are presented in 'United Arab Emirates Dirham' (AED), which is the Group's functional and presentation currency. All values are rounded to the nearest thousand (AED'000), except when otherwise indicated.

Basis of consolidation
The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return.

When the Group has less than a majority of the voting or similar right of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest represent the portion of profit or loss and net assets of subsidiaries not owned directly or indirectly by the Parent Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the interim condensed consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. Basis of preparation and Group's material accounting policies (continued)

Basis of consolidation (continued)
When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of the Company's subsidiaries/divisions as at 30 June 2026 and 31 December 2025 were as follows:

Name of subsidiary/division	Country of incorporation	Proportion of ownership interest and voting held by the Group		Principal activity
		30 June 2026	31 December 2025	
Emirates Steel Industries PJSC [1]	UAE	**100%**	100%	Production and sale of long-steel products
Emirates Blocks Factory [2]	UAE	**100%**	100%	Production and sale of cement block
Emirates Cement Factory[2,3]	UAE	**100%**	100%	Production and sale of packed and bulk cement
Al Ain Cement Factory[2]	UAE	**100%**	100%	Production and sale of packed and bulk cement

[1] Emirates Steel Industries PJSC ("Emirates Steel") was acquired on 6 October 2021 from a related party for the issue of 5,100,000,000 ordinary shares.

[2] These subsidiaries are all operating divisions of the Company.

[3] The operations of Emirates Cement Factory were discontinued in December 2016 and currently the company is not operational.

4. Critical judgements and key sources of estimation uncertainty

Changes in judgements and estimation uncertainty
The preparation of the interim condensed consolidated financial statements in conformity with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses, and provisions as well as fair value changes. Actual results may differ from these estimates.

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

4. Critical judgements and key sources of estimation uncertainty (continued)

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

5. Property, plant and equipment

During the six-month period ended 30 June 2026, the Group purchased assets at a cost of AED 200,872 thousand (30 June 2025: AED 124,592 thousand).

The depreciation charge for the period amounted to AED 303,377 thousand (30 June 2025: AED 286,496 thousand).

6. Investment property

No acquisitions or disposals were made to the Group's investment property during the period (30 June 2025: none). The depreciation charge for the period amounted to AED 357 thousand (30 June 2025: AED 354 thousand).

7. Intangible assets

During the six-month period ended 30 June 2026, the Group implemented intangible assets with a cost of AED 10,923 thousand (30 June 2025: AED 20,381 thousand). The amortisation charge for the period amounted to AED 8,907 thousand (30 June 2025: amortisation charge of AED 9,652 thousand).

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

8. Inventories

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Finished goods and by-products	**407,932**	415,800
Semi-finished products: steel billets and direct reduced iron	**413,931**	463,056
Raw materials	**351,446**	443,158
Goods in transit	**286,647**	-
Spare parts and consumables	**667,620**	686,459
	2,127,576	2,008,473
Less: allowance for impairment of inventories	**(67,421)**	(68,180)
	2,060,155	1,940,293

The movement in the allowance for impairment of inventories is as follows:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Balance at the beginning of the period/year	**68,180**	98,547
(Reversal)/provision during the period/year	**(759)**	23,762
Write offs	**-**	(54,129)
Balance at the end of the period/year	**67,421**	68,180

9. Trade and other receivables

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Trade receivables	**1,446,818**	1,302,217
Less: allowance for expected credit loss	**(114,767)**	(109,135)
	1,332,051	1,193,082
Advances to suppliers	**231,523**	161,912
Outstanding receivable for sale of Anabeeb*	**-**	30,429
Prepayments	**17,890**	19,685
Other receivables	**71,226**	145,254
	1,652,690	1,550,362

*During the period, receivables relating to the sale of Anabeeb amounting to AED 23,969 thousand were settled and AED 6,460 thousand were written off.

9. Trade and other receivables (continued)

The following table shows the movement in allowance for expected credit loss:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Balance at the beginning of the period/year	**109,135**	114,325
Net remeasurement of loss allowance	**5,632**	(2,632)
Write offs	**-**	(2,558)
Balance at the end of the period/year	**114,767**	109,135

10. Cash and bank balances

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Cash in hand	**285**	247
Short-term deposits*	**714,150**	283,625
Cash at banks in current accounts	**924,698**	880,743
Balance of cash and cash equivalents at the end of the period/year	**1,639,133**	1,164,615

*Short-term deposits are placed for periods not exceeding three months and earn interest at prevailing market rates.

11. Related parties

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24 (IAS 24). Related parties comprise shareholders, directors, key management staff and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Government of Abu Dhabi indirectly owns 87.5% (31 December 2025: 87.5%) of the Company's outstanding shares. The Group has elected to use the exemption under IAS 24 for government related entities on disclosing transactions and related outstanding balances with government related entities owned by the Government of Abu Dhabi other than the Parent Company and entities it owns and controls. The Group's significant transactions with the Government of Abu Dhabi and other entities controlled, jointly controlled or significantly influenced by the Government of Abu Dhabi are a large portion of its direct cost, lease rental payments and interest payments on certain facilities.

The Group also has at 30 June 2026 cash balances with banks under the common control of the Government of Abu Dhabi, lease liabilities with and payables to Government municipalities and payables to a distribution company owned by the Government of Abu Dhabi.

Balances with these related parties generally arise from commercial transactions on agreed terms.

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

11. Related parties (continued)

Balances with financial institutions under the common control of the Government of Abu Dhabi are as follows:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Cash balance with banks	**922,775**	**946,625**

Balance due to related party is as follows:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Due to related party		
General Holding Corporation PJSC (SENAAT)	**151,936**	202,866
	151,936	202,866

Significant transactions with related parties during the period are:

		Six-month period ended 30 June	
Description	**Relationship**	**2026 AED'000 (unaudited)**	**2025 AED'000 (unaudited)**
Utilities - Electricity and water expenses	Sister company	**294,703**	275,320
Utilities - Gas	Sister company	**20,904**	17,913
Utilities - Gas	Under common control	**260,447**	268,985
Trans-shipment charges	Sister company	**2,238**	8,330
		578,292	570,548

	Six-month period ended 30 June	
Key management personnel	**2026 AED'000 (unaudited)**	**2025 AED'000 (unaudited)**
– Short term benefits	**10,729**	15,410
– Post-employment benefits	**268**	414
	10,997	15,824

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

12. Right-of-use assets and lease liabilities

The Group’s obligations are secured by the lessor’s title to the leased assets for such leases.

Right-of-use assets

	30 June 2026 AED’000 (unaudited)	31 December 2025 AED’000 (audited)
Balance at the beginning of the period/year	**206,946**	214,278
Additions during the period/year	**-**	1,990
Depreciation expense	**(7,256)**	(9,322)
Remeasurement during the period/year	**(4,696)**	-
Balance at the end of the period/year	**194,994**	206,946

Lease liabilities

	30 June 2026 AED’000 (unaudited)	31 December 2025 AED’000 (audited)
Balance at the beginning of the period/year	**335,967**	333,309
Additions during the period/year	**-**	1,990
Accretion of interest during the period/year	**10,364**	19,645
Payments during the period/year	**(13,238)**	(18,977)
Remeasurement during the period/year	**(4,696)**	-
Balance at the end of the period/year	**328,397**	335,967

	30 June 2026 AED’000 (unaudited)	31 December 2025 AED’000 (audited)
Current		
Within one year	**13,420**	12,892
Non-current		
After one year	**314,977**	323,075

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

13. Bank borrowings

Emirates Steel
Working capital facilities obtained from two local banks to finance the purchases of certain raw materials and spare parts. These facilities mature within one year and carry effective interest rates of 0.60-0.65% over SOFR. These short-term loans are revolving loans facilities.

Changes from financing cash flows related to borrowings:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Balance at the beginning of the period/year	-	485,789
Proceeds from short-term loans	**270,095**	1,234,670
Settlement of short-term loans	**(270,095)**	(1,720,459)
Balance at the end of the period/year	**-**	-

14. Trade and other payables

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Trade payables	**857,694**	813,906
Accruals	**163,429**	133,762
Provisions related to plant expenses	**89,044**	50,905
Provision for bonus	**39,110**	57,171
VAT payable	**29,071**	26,868
Other payables	**13,795**	83,920
Balance at the end of the period/year	**1,192,143**	1,166,532

15. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time for the following product lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 *Operating Segments* (note 17).

	Six-month period ended 30 June	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Analysis of revenue recognised during the period:		
Steel	**4,001,746**	3,872,386
Cement and Blocks	**555,811**	338,088
Pipes and others	**-**	89,886
	4,557,557	4,300,360

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

	Six-month period ended 30 June	
	2026	**2025**
	AED'000	**AED'000**
	(unaudited)	**(unaudited)**
Timing of revenue:		
Goods transferred at a point of time	**4,557,557**	4,300,360
Total	**4,557,557**	4,300,360
Geographical markets:		
United Arab Emirates	**4,393,900**	3,976,633
Oman	**43,929**	41,756
Kuwait	**39,094**	1,271
Egypt	**38,849**	38,119
Others	**41,785**	242,581
Total	**4,557,557**	4,300,360

16. Contingent liabilities and commitments

	30 June 2026	**31 December 2025**
	AED'000	**AED'000**
	(unaudited)	**(audited)**
Bank guarantees and letters of credit	**283,156**	129,479
Capital commitments	**175,524**	204,196

The above bank guarantees and letters of credit were issued in the normal course of business.

17. Segment reporting

The Group has two (30 June 2025: three) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technologies and marketing strategies. For each of the strategic business units, the Board of Directors reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Steel - the manufacture and distribution of long-steel products;
- Cement and Blocks - the production and sale of cement, concrete blocks and dry mortar; and,
- Pipes and others - the division was disposed-off in 2025.

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

17. Segment reporting (continued)

Information regarding the results of each reportable segment is included below. Performance is measured on segment profit as included in the internal management reports that are reviewed by the Group's CEO and the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

For the period ended 30 June 2026 (unaudited)	**Steel** AED'000	**Cement, Head Office and blocks** AED'000	**Pipes and others** AED'000	**Eliminations** AED'000	**Group** AED'000
External revenues	4,001,746	555,811	-	-	4,557,557
Intersegment revenue	-	17,520	-	(17,520)	-
Total Revenue	4,001,746	573,331	-	(17,520)	4,557,557
Timing of revenue recognition					
At a point in time	4,001,746	573,331	-	(17,520)	4,557,557
Gross profit	645,987	193,012	-	-	838,999
Selling and distribution expenses	(19,157)	(8,215)	-	-	(27,372)
General and administrative expenses	(158,662)	(54,946)	-	14,753	(198,855)
Other income (net)	22,495	176	-	(14,753)	7,918
Operating profit	490,663	130,027	-	-	620,690
Finance income	12,834	4,071	-	-	16,905
Finance costs	(15,502)	(5,315)	-	-	(20,817)
Profit for the year before tax	487,995	128,783	-	-	616,778
As at 30 June 2026 (unaudited)					
Total assets	9,626,856	2,290,700	-	(156,938)	11,760,618
Total liabilities	(1,641,287)	(472,005)	-	156,938	(1,956,354)

Notes to the Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2026 (continued)

17. Segment reporting (continued)

For the period ended 30 June 2025 (unaudited)	Steel AED'000	Cement, Head Office and blocks AED'000	Pipes and others AED'000	Eliminations AED'000	Group AED'000
External revenues	3,872,386	338,088	89,886	-	4,300,360
Intersegment revenue	-	10,517	3,125	(13,642)	-
Total Revenue	3,872,386	348,605	93,011	(13,642)	4,300,360
Timing of revenue recognition					
At a point in time	3,872,386	348,605	93,011	(13,642)	4,300,360
Gross profit	398,852	84,972	29,952	-	513,776
Selling and distribution expenses	(17,047)	(8,533)	(3,814)	-	(29,394)
General and administrative expenses	(221,470)	(21,570)	(4,175)	-	(247,215)
Other income (net)	6,023	-	(6)	-	6,017
Operating profit	166,358	54,869	21,957	-	243,184
Finance income	4,143	2,257	2	-	6,402
Finance costs	(39,955)	(3,627)	(216)	-	(43,798)
Profit for the year before tax	130,546	53,499	21,743	-	205,788
As at 31 December 2025 (audited)					
Total assets	9,117,428	2,165,616	-	(106,336)	11,176,708
Total liabilities	(1,577,219)	(462,049)	-	106,336	(1,932,932)

18. Corporate income tax

The tax charge for period ended 30 June 2026 is AED 56,290 thousand (30 June 2025: AED 17,793 thousand) representing an Effective Tax Rate ("ETR") of 9.13% (30 June 2025: 8.65%).

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six-month period ended 30 June	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Current income tax expense	**56,290**	17,793

19. Basic and diluted earnings per share

The following reflects the profit and shares data used in computations of earnings per share:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	2026	2025
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period (AED'000)	**261,762**	101,706	**560,488**	187,995
Weighted average number of shares in issue (thousands of shares)	**6,850,000**	6,850,000	**6,850,000**	6,850,000
Earnings per share (AED)	**0.038**	0.015	**0.082**	0.027

The Group does not have potentially dilutive shares and, accordingly, the diluted earnings per share is equivalent to the basic earnings per share.

20. Financial assets and financial liabilities

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2026 and 31 December 2025:

Financial assets at amortised cost:	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Trade and other receivables	**1,403,277**	1,368,765
Total financial assets at amortised cost	**1,403,277**	1,368,765

Set out below is an overview of financial liabilities held by the Group as at 30 June 2026 and 31 December 2025:

Financial liabilities at amortised cost:	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Lease liabilities	**328,397**	335,967
Due to related party	**151,936**	202,866
Trade and other payables	**1,149,277**	1,055,744
Total financial liabilities at amortised cost	**1,629,610**	1,594,577

Fair value
The Group's management considers that the carrying amount of financial assets and financial liabilities approximates their fair value.

21. Geopolitical impact

During the second quarter of 2026, geopolitical developments in certain parts of the Middle East continued to evolve. While regional uncertainties remained, market conditions generally stabilized compared with the heightened volatility experienced during the first quarter of 2026. Governments and regulatory authorities across the region continued to emphasize economic resilience, financial system stability, and the uninterrupted conduct of business activities, supported by established business continuity and risk management frameworks.

Management has assessed the potential impact of these developments on the Group's operations, financial position and financial performance, with particular focus on supply chain continuity, liquidity, market conditions and the recoverability of assets. Based on the information available at the reporting date, management has not identified any material adverse impact on the Group's operations or its ability to meet customer commitments. While certain input and logistics costs continue to be subject to market fluctuations, the Group has maintained appropriate measures to manage these risks and preserve operational resilience. Management continues to monitor geopolitical developments and their potential impact on the Group's business, and will implement additional mitigating actions, where considered necessary.

Management has also assessed the appropriateness of the going concern basis of preparation in light of these developments and concluded that the use of the going concern basis remains appropriate. Furthermore, based on the assessment performed as at the reporting date, management has not identified any indicators of impairment that would require the recognition of impairment losses in these condensed consolidated interim financial statements.