

EMSTEEL Building Materials PJSC



Reports and Interim Condensed Consolidated
Financial Statements

For the nine-month period ended 30 September 2025

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Board of Directors' Report to the shareholders.....	3
Report on Review of Interim Financial Information.....	5
Interim Condensed Consolidated Statement of Financial Position	6
Interim Condensed Consolidated Statement of Profit or Loss	7
Interim Condensed Consolidated Statement of Comprehensive Income.....	8
Interim Condensed Consolidated Statement of Changes in Equity	9
Interim Condensed Consolidated Statement of Cash Flows	10
Notes to the Interim Condensed Consolidated Financial Statements	11-23

Board of Directors' Report to the shareholders

for the nine-month period ended 30 September 2025

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 nine-month period ended 30 September 2025, together with the interim condensed consolidated financial statements for the period.

Strategic combination of Emirates Steel and Emirates Cement

Emirates Steel is a leading integrated steel manufacturer in the Middle East. The combination of the Company's building materials businesses Emirates Cement with Emirates Steel has created the UAE's largest steel and building materials business with a compelling strategic proposition and strong potential for growth in the UAE and internationally.

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 nine-month period ended 30 September 2025

The Group's revenue in the first nine months of 2025 was AED 6,469.1 million compared to AED 5,878.3 million in the same period in 2024. The Group's profit for the period was AED 283.4 million, compared to AED 91.6 million in the first nine months of 2024. The Group's profit for three months ended 30 September 2025 was AED 95.4 million, compared to loss of AED 82.8 million for same period in 2024.

The Group's performance has been supported by a strong domestic market for both Steel and Cement delivering a strong operational performance during the period.

Review of operations

- Emirates Steel

Revenue from Emirates Steel totalled AED 5,817.3 million for the first nine months of 2025 against AED 5,341.7 million in the same period in 2024. Operating profit for the period from the Steel Division for the first nine months of 2025 was AED 249.2 million as compared to AED 104.8 million for the same period in 2024.

- Emirates Cement

Revenue from the Emirates Cement was AED 651.8 million for the first nine months of 2025, compared to AED 536.6 million in the same period in 2024. Operating profit for the period for the first nine months of 2025 was AED 115.3 million as compared to AED 110.6 million for the same period in 2024.

Within Emirates Cement the manufacturing and distribution of PVC pipes, GRP pipes and bags is a business held for sale. This business reported external revenues of AED 132.8 million for the first nine months of 2025, compared with AED 103.1 million in the same period in 2024. The businesses generated an operating profit of AED 30.9 million for the first nine months of 2025 compared to AED 7.1 million in the same period in 2024.

Liquidity

Bank borrowings totaled AED 87.2 million as at 30 September 2025 (31 December 2024: AED 485.8 million). In addition, the Group held cash and cash equivalents of AED 798.7 million as of 30 September 2025 (31 December 2024: AED 823.3 million).

Taxation

The provision of AED 27.2 million for taxation in the nine-month period reflects an effective tax rate of 8.77%.

Total assets and shareholders' equity

The total assets of the Group equalled AED 11,090.5 million at 30 September 2025 (31 December 2024: AED 11,258.5 million). The value of shareholders' equity was at AED 9,003.9 million as of 30 September 2025 compared to AED 8,720.5 million as of 31 December 2024.

On behalf of the Board of Directors



Hamad A. Al Hammadi

Chairman

Date: 11 November 2025



Shape the future
with confidence

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS 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 September 2025, comprising of the interim condensed consolidated statement of financial position as at 30 September 2025 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three and nine months then ended and the related interim condensed consolidated statement of changes in equity and cash flows for the nine 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

Ahmad Al Dali
Registration No: 5548

11 November 2025
Abu Dhabi, United Arab Emirates

Interim Condensed Consolidated Statement of Financial Position

as at 30 September 2025

	Notes	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,262,707	6,415,683
Right-of-use assets	12	205,921	214,278
Investment property	6	11,315	11,846
Intangible assets	7	51,814	44,799
Total non-current assets		6,531,757	6,686,606
Current assets			
Inventories	8	2,071,568	1,543,426
Trade and other receivables	9	1,526,691	2,068,554
Cash and bank balances	10	767,992	796,660
		4,366,251	4,408,640
Assets held for sale	13	192,517	163,278
Total current assets		4,558,768	4,571,918
Total assets		11,090,525	11,258,524
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		6,850,000	6,850,000
Statutory reserve		264,242	235,900
Merger reserve		1,092,817	1,092,817
Capital reserve		3,783	3,783
Other reserves		43,566	43,566
Retained earnings		749,503	494,421
Total equity		9,003,911	8,720,487
Non-current liabilities			
Lease liabilities	12	320,962	321,113
Provision for employees' end of service benefits	15	154,202	154,946
Deferred tax provision		18,659	18,659
Total non-current liabilities		493,823	494,718
Current liabilities			
Bank borrowings	14	87,230	485,789
Trade and other payables	16	1,419,796	1,483,431
Current tax liabilities		29,809	20,600
Lease liabilities	12	21,482	12,196
		1,558,317	2,002,016
Liabilities directly associated with assets held for sale	13	34,474	41,303
Total current liabilities		1,592,791	2,043,319
Total liabilities		2,086,614	2,538,037
TOTAL EQUITY AND LIABILITIES		11,090,525	11,258,524

To the best of our knowledge, the financial statements included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of 30 September 2025, and for the periods presented in the report.



Hamad A. Al Hammadi
Chairman



Saeed G. Al Remeithi
Director and
Group Chief Executive Officer



Mark J.S. Tonkens
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 nine-month periods ended 30 September 2025

Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	2,168,725	1,921,576	6,469,085	5,878,325
Direct costs	(1,895,236)	(1,801,645)	(5,681,820)	(5,318,625)
Gross profit	273,489	119,931	787,265	559,700
Selling and distribution expenses	(14,472)	(8,804)	(43,866)	(30,582)
General and administrative expenses	(138,539)	(117,299)	(385,754)	(317,306)
Other income (net)	808	1,268	6,825	3,653
Operating profit/ (loss)	121,286	(4,904)	364,470	215,465
Finance costs	(19,936)	(15,810)	(63,734)	(45,560)
Finance income	3,517	3,089	9,919	8,849
Provisions for liabilities and charges	-	(72,950)	-	(83,050)
Profit on disposal of associates	-	-	-	4,982
Profit/ (loss) before tax for the period	104,867	(90,575)	310,655	100,686
Income tax expense	20	(9,438)	7,724	(27,231)
Profit/ (loss) for the period	95,429	(82,851)	283,424	91,623
Basic and diluted earnings/ (loss) per share	19	0.014	(0.012)	0.041
				0.013

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 nine-month periods ended 30 September 2025

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit/ (loss) for the period	95,429	(82,851)	283,424	91,623
Other comprehensive income	-	-	-	-
Total comprehensive income/ (loss) for the period	95,429	(82,851)	283,424	91,623

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

Interim Condensed Consolidated Statement of Changes in Equity

for the nine-month period ended 30 September 2025

	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 2024 (audited)	6,850,000	196,661	1,092,817	3,783	47,907	141,268	8,332,436
Total comprehensive income for the period	-	-	-	-	-	91,623	91,623
As at 30 September 2024 (unaudited)	6,850,000	196,661	1,092,817	3,783	47,907	232,891	8,424,059
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	-	-	-	-	-	283,424	283,424
Transfer to statutory reserve	-	28,342	-	-	-	(28,342)	-
As at 30 September 2025 (unaudited)	6,850,000	264,242	1,092,817	3,783	43,566	749,503	9,003,911

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

Interim Condensed Consolidated Statement of Cash Flows

for the nine-month period ended 30 September 2025

	Nine-month period ended 30 September	
	2025	2024
	AED'000 (unaudited)	AED'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the period	310,655	100,686
Adjustments for:		
- Depreciation of property, plant and equipment	437,509	411,601
- Depreciation of right-of-use assets	5,450	10,052
- Amortisation of intangible assets	15,315	7,474
- Depreciation of investment property	531	531
- Reversal of impairment gain on financial assets	(2,538)	(5,274)
- Allowance for impairment of inventories, net	24,058	19,576
- Gain on disposal of property, plant and equipment	(231)	-
- Property, plant and equipment write off	16,816	-
- Provision for employees' end of service benefit	11,967	19,389
- Finance costs	63,734	45,560
- Finance income	(9,919)	(8,849)
- Gain on disposal of associates	-	(4,982)
- Provision for liabilities and charges	-	83,050
Operating cash flows before movements in working capital	873,347	678,814
Movements in working capital:		
- Increase in inventories	(559,183)	(175,291)
- Decrease in trade and other receivables	527,223	220,355
- Decrease in trade and other payables	(65,696)	(199,476)
Cash generated from operations	775,691	524,402
End of service benefits paid	(13,253)	(15,800)
Corporate tax paid	(18,022)	-
Net cash generated from operating activities	744,416	508,602
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(302,391)	(196,075)
Purchase of intangible assets	(22,330)	(40,197)
Proceeds from sale of property, plant and equipment	231	-
Proceeds from disposal of associates	-	99,000
Interest received	9,919	8,849
Net cash used in investing activities	(314,571)	(128,423)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,234,670	2,046,106
Repayment of borrowings	(1,633,229)	(2,185,408)
Finance costs paid	(53,360)	(38,881)
Repayment of lease liability	(2,558)	(5,260)
Net cash used in financing activities	(454,477)	(183,443)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	(24,632)	196,736
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	823,294	425,808
	798,662	622,544

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

Notes to the Interim Condensed Consolidated Financial Statements

for the nine-month period ended 30 September 2025

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") and the Group's interest in associates.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 11 November 2025.

2. Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs)

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2024, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 21: Lack of Exchangeability
- Amendments to the SASB standards to enhance their international applicability

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

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

IAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operating and Development (the "Pillar Two legislation").

Aligning with the OECD's Global Minimum Tax effort (Pillar Two), the UAE MoF has announced certain amendments to the CT Law introducing a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st Jan 2025. The Group is not within the scope of Pillar Two legislation and hence it is not subject to the Pillar Two rules.

3. 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 and also comply with the applicable requirements of the laws in the UAE. Accordingly, these interim condensed consolidated financial statements do not include all of the information and 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 2024. In addition, results for the nine-month period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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.

3. Material accounting policies (continued)

Basis of consolidation (continued)

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.

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 as at 30 September 2025 and 31 December 2024 were as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest and voting held by the Group		Principal activity
		30 September 2025	31 December 2024	
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
Anabeeb PVC LLC ⁴	UAE	100%	100%	Production and sale of pipes, and paper bags

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 Anabeeb PVC LLC owns 100% of the issued share capital of Anabeeb GRP Factory LLC.

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 International Financial Reporting Standards 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.

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 2024.

5. Property, plant and equipment

During the nine-month period ended 30 September 2025, the Group acquired assets with a cost of AED 301,349 thousand (30 September 2024: AED 196,075 thousand).

Assets with a carrying value of AED 16,816 thousand were written off during the period (30 September 2024: AED nil).

Assets with a carrying value of AED Nil were disposed of during the period with net proceeds from sales amounting to AED 231 thousand (30 September 2024: AED nil).

The depreciation charge for the period amounted to AED 437,509 thousand (30 September 2024: AED 411,601 thousand).

6. Investment property

No acquisitions or disposals were made to the Group's investment properties in the nine-month period ended 30 September 2025 (30 September 2024: none). The depreciation charge for the period amounted to AED 531 thousand (30 September 2024: AED 531 thousand).

7. Intangible assets

During the nine-month period ended 30 September 2025, the Group acquired intangible assets with a cost of AED 22,330 thousand (30 September 2024: AED 40,197 thousand). The amortisation charge for the period amounted to AED 15,315 thousand (30 September 2024: AED 7,474 thousand).

8. Inventories

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Finished goods and by-products	402,350	360,935
Semi-finished products: steel billets and direct reduced iron	360,189	277,934
Raw materials	511,122	236,797
Goods in transit	112,088	-
Spare parts and consumables	808,424	766,307
	2,194,173	1,641,973
Less: allowance for impairment of inventories	(122,605)	(98,547)
	2,071,568	1,543,426

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance as at 1 January	98,547	93,022
Impairment during the period/year	24,058	13,580
Relating to asset held for sale	-	(8,055)
Balance at the end of the period/year	122,605	98,547

9. Trade and other receivables

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade receivables	1,312,275	1,859,514
Less: allowance for expected credit loss	(110,722)	(114,325)
	1,201,553	1,745,189
Prepayments and other receivables	325,138	323,365
	1,526,691	2,068,554

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance as at 1 January	114,325	157,830
Net reversal of loss allowance	(2,538)	(5,453)
Write-off during the period	(1,065)	-
Relating to assets held for sale	-	(38,052)
Balance at the end of the period/year	110,722	114,325

10. Cash and bank balances

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cash in hand	388	253
Short term deposits*	165,263	-
Cash at banks in current accounts	602,341	796,407
Balance as at 31 December (excluding cash held for sale)	767,992	796,660
Add: Cash relating to disposal group held for sale (note 13)	30,670	26,634
Balance as at 31 December (including cash held for sale)	798,662	823,294

*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 2024: 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 loans.

The Group also has, at 30 September 2025, loans and 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.

Significant transactions with related parties during the period are as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Purchases from related parties				
– Agthia PJSC, sister concern	227	581	538	946
Key management compensation				
– Short term benefits	1,460	4,160	16,870	16,842
– Post-employment benefits	209	398	623	742
	1,669	4,558	17,493	17,584

12. Right of use assets and leases

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

Right of use assets

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
As at 1 January	214,278	228,557
Depreciation expense	(5,450)	(14,279)
Remeasurement	(2,907)	-
Balance at the end of the period/year	205,921	214,278

Lease liabilities

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
As at 1 January	333,309	344,213
Accretion of interest during the period/year	14,600	21,957
Payments during the period/year	(2,558)	(32,861)
Remeasurement	(2,907)	-
Balance at the end of the period/year	342,444	333,309

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Current		
Within one year	21,482	12,196
Non-current		
After one year	320,962	321,113

13. Assets and liabilities associated directly with assets held for disposal

EMSTEEL plans to dispose of the Anabeeb division comprising a PVC Pipe factory, the GRP Pipe factory and a Bag plant. The related assets and liabilities of the disposal group are classified as held for sale as of 30 September 2025. The agreement has been duly executed on 30 July 2025, and completion of the transaction is subject to satisfaction of customary closing conditions as specified in the SPA. As at 30 September 2025, the disposal had not yet been completed; however, the Group's management is committed to the sale, and is expecting completion by 31st December 2025, pending closing conditions.

The assets and liabilities belonging to the disposal group are reported under the 'Pipe and Others' in the segmental reporting data in note 18 to the consolidated financial statements.

	30 September 2025 AED'000	31 December 2024 AED'000
	(unaudited)	(audited)
Balance Sheet of Disposal Group		
Property, plant and equipment	28,606	27,564
Non-current Assets	28,606	27,564
Cash and cash equivalents	30,670	26,634
Trade receivables	84,721	65,423
Inventories	52,500	45,517
Intercompany loans	351	391
Other receivables	838	2,958
Current assets	169,080	140,923
TOTAL ASSETS	197,686	168,487
Trade payables	21,618	26,765
Other payables	4,080	5,220
Current liabilities	25,698	31,985
Employees' end of service benefit obligation	8,776	9,318
Intercompany Loan	29,835	24,366
Non-current liabilities	38,611	33,684
TOTAL LIABILITIES	64,309	65,669
NET ASSET VALUE	133,377	102,818
Impairment adjustment	(4,818)	(4,818)
NET REALISABLE VALUE	128,559	98,000

* Related party balance eliminated on consolidation; the disposal group held for sale appearing in the consolidated statement of financial position is further reduced by the impairment for the loss on disposal at AED 192,517 thousand (31 December 2024: AED 163,278 thousand).

** Related party balance eliminated on consolidation. Liabilities of the disposal group held for sale appearing in the consolidated statement of financial position is AED 34,474 thousand (31 December 2024: AED 41,303 thousand).

14. Bank borrowings

Bank borrowings are contractually repayable as follows:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Within one year	87,230	485,789

The details of the bank borrowings are stated as follows:

	At 30 September 2025 (unaudited)			At 31 December 2024 (audited)			
	Maturity	Current AED'000	Non- current AED'000	Total AED'000	Current AED'000	Non- current AED'000	Total AED'000
Emirates Steel							
Working capital facilities	2025	87,230	-	87,230	485,789	-	485,789

Emirates Steel

Working capital facilities extended by 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 60-65 bps over LIBOR/SOFR. These short-term loans are revolving loans facilities.

Changes from financing cash flows related to borrowings:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance as at 1 January	485,789	489,307
Settlement of term loans	-	(134,934)
Settlement of short-term loans	(1,633,229)	(2,332,420)
Proceeds from short term loans	1,234,670	2,463,836
Balance at the end of the period/year	87,230	485,789

15. Provisions for employees' end of service benefits

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at 1 January	154,946	200,772
Current service cost (including interest expense)	11,967	25,148
Past service cost	-	(45,905)
Benefit payments	(12,711)	(20,092)
Re-measurement charge/(reduction)	-	4,341
Transferred to assets and liabilities held for sale (note 13)	-	(9,318)
Balance at the end of the period/year	154,202	154,946

16. Trade and other payables

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade payables	1,212,540	1,269,661
Accruals	106,528	123,544
VAT payable	18,835	19,697
Interest payable	320	4,546
Other payables	81,573	65,983
Balance at the end of the period/year	1,419,796	1,483,431

17. Contingencies and commitments

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Bank guarantees and letters of credit	168,020	387,810
Capital commitments	195,092	122,958

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

18. Segment reporting

The Group has 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.

18. Segment reporting (continued)

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 and concrete blocks;
- Other - including the production and distribution of glass reinforced polyester ("GRP") pipes; poly-vinyl chloride ("PVC") pipes; and bags.

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 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.

	EMIRATES STEEL		EMIRATES CEMENT		EMSTEEL	
	Steel	Cement, Blocks and Head Office			Pipes and others	Eliminations
		AED'000	AED'000	AED'000	AED'000	AED'000
For the period ended 30 September 2025 (unaudited):						
External revenues	5,817,266	518,992	132,827		-	6,469,085
Intersegment revenue	-	18,611	4,090		(22,701)	-
Operating profit for the period	249,157	84,359	30,954		-	364,470
As at 30 September 2025 (unaudited):						
Total assets	9,116,094	1,782,082	192,868	(519)	11,090,525	
Total liabilities	(1,783,107)	(238,480)	(64,309)	(718)	(2,086,614)	
For the period ended 30 September 2024 (unaudited):						
External revenues	5,341,683	433,508	103,134		-	5,878,325
Intersegment revenue	-	16,800	3,651		(20,451)	-
Operating profit for the period	104,841	103,500	7,124		-	215,465
As at 31 December 2024 (audited):						
Total assets	9,297,441	1,894,571	163,669	(97,157)	11,258,524	
Total liabilities	(2,146,846)	(422,679)	(65,669)	97,157	(2,538,037)	

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 September		Nine-month period ended 30 September	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit/(loss) for the period (AED'000)	95,429	(82,851)	283,424	91,623
Weighted average number of shares in issue (thousands of shares)	6,850,000	6,850,000	6,850,000	6,850,000
Earnings/ (loss) per share (AED)	0.014	(0.012)	0.041	0.013

There were no potentially dilutive securities as at 30 September 2025 or at 30 September 2024 and, accordingly, diluted earnings per share is equivalent to the basic earnings per share.

20. Corporate income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The Group is subject to CT Law starting 1 January 2024. The taxable income of the entities that are in scope for UAE CT purposes is subject to tax at 9%.

The effective tax rate (ETR) for the period ended 30 September 2025 is 8.77% (30 September 2024: 9%). The deviation from the statutory tax rate is primarily driven by the QDMTT and partly offset by certain exempt income and exempt gains under the CT Law in the UAE.

The tax charge for period ended 30 September 2025 is AED 27,231 thousand (30 September 2024: AED 9,063 thousand).

Aligning with the OECD's Global Minimum Tax effort (Pillar Two), the UAE MoF has announced certain amendments to the CT Law introducing a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st Jan 2025. The Group is not within the scope of Pillar Two legislation and hence it is not subject to the Pillar Two rules.