# DIRECTORS' REPORT
*for the year ended 31 December 2025*

The Board of Directors has the pleasure in presenting the audited consolidated financial statements of Fujairah Building Industries P.J.S.C. ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2025.

**Principal activities of the Group**
The principal activities of the Group comprise manufacturing, marketing and distribution of rock wool insulation materials, concrete blocks, interlocks, kerbstones, and Terrazzo tiles, cutting, polishing, supply and installation of marble products, and extraction and processing of range of gabbro quarry materials.

**Financial performance**
The Group has achieved revenue of AED 254,842,630 from continuing operations for the year ended 31 December 2025 compared with AED 205,911,247 million from continuing operations for the previous year ended 31 December 2024.

The Group has achieved a net profit of AED 38,103,760 in 2025 compared to a net profit of AED 23,118,818 in 2024. This increase in net profit is mainly attributed to increase in gross profit due to an increase in average selling price and quantity sold within the current year, resulting in higher absorption of fixed cost of production. The management continues the process of reviewing the technical aspects of the production process as well as associated costs which have a significant impact on improving efficiency, increasing productivity, reducing costs and thus being able to maintain a healthy bottom line .

The total assets of the Group amounted to AED 395,359,553 as of 31 December 2025 compared to AED 372,296,646 as of 31 December 2024, while the total shareholders' equity is AED 296,150,972 as of 31 December 2025 compared to AED 282,737,132 as of 31 December 2024.

Despite local and regional market volatility and challenges and competition in the field of building materials industry during last few years, the Group has managed to contribute positively to the development and prosperity of the national economy and continued to strengthen its competitive position within the local and regional markets through maintaining high quality of its products and providing excellent customer service to clients. These factors have supported the Group's activities providing sustainability to its operations.

**Going concern basis**
The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2025.

**Events after the period end**
In the opinion of the Board of Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the reporting period and the date of this report, which is likely to affect, substantially the result of the operations of the Group for the year ended 31 December 2025.

**Transactions with related parties**
The consolidated financial statements disclose related party transactions and balances in note 28. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

**Independent Auditors**
Ernst & Young Middle East (Sharjah Branch), Sharjah, United Arab Emirates, were appointed vide Annual General Meeting held on 20 March 2025 for conducting the independent audit for the fiscal year 2025. In the next Annual General Meeting, the shareholders will decide to appoint the independent auditors for the fiscal year 2026.

**Acknowledgements**
Finally to conclude, on behalf of the members of the Board of Directors, executive management and all employees of the Group, we would like to express our sincere thanks and gratefulness to His Highness Sheikh Hamad Bin Mohammed Al-Sharqi – Member of the Federal Supreme Council of the United Arab Emirates and Ruler of Fujairah and His Highness Sheikh Mohammed Bin Hamad Bin Mohammed Al-Sharqi – Crown Prince of Fujairah for their permanent support and full care of the various sectors in the Emirate.

We also like to extend our heartfelt thanks to His Highness Sheikh Saleh Bin Mohammad Al-Sharqi – Chairman of Department of Industry and Economy of Fujairah for his support to the Group's business and growth.

Our thanks are also extended to all our shareholders, various government departments, our bankers, customers, suppliers, executive managers, general managers, divisional managers and all staff and employees of the Group for their support, and assure to continue with innovative ventures which would further enable us to reap the benefits of the Group as it grows by leaps and bounds in the nation's concepts of modernity and development.

On behalf of the Board



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Ahmed Saeed Mohammed Alraqbani
Chairman

26 February 2026