



## HEAD OFFICE

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المكتب الرئيسي المكتب الرئيسي  
ص.ب: ٦٠٠ - الفجيرة  
الإمارات العربية المتحدة  
تليفون: ٠٩-٢٢٢٣١١١  
فاكس: ٠٩-٢٢٢٧٧١٨  
البريد الإلكتروني: hofci79@fciho.ae

### Discussion report and analysis of the board of directors

Date	10 th August 2023
Name of the Listed Company	Fujairah Cement Industries PJSC
The period of the financial statements covered by the report	6 Months ended 30 <sup>th</sup> June 2023
Overview of the main results during the financial period	Loss reported for the period – (AED 62,055,829)
Securities issued during the financial period	
Summary of the most important non-financial events and developments during the financial period	
Summary of operational performance during the financial period	Revenue for the period H1 2023 is 179,835,861 (Revenue for the period is marginally higher than compared to H1 2022)
Summary of profit and loss during the financial period	Revenue for the period – AED 179,835,861 Gross Loss for the period – (AED 21,501,074) Selling & Distrib. Costs – (AED 15,115,796) General & Admin. Costs – (AED 6,299,244) Finance Costs – (AED 20,796,110) Other Incomes – AED 1,656,395 Net Loss for the Period – (AED 62,055,829)
Summary of financial position as at the end of the financial period	Non-Current Assets – AED 1,189,985,141 Current Assets – AED 365,323,715 Total Assets – AED 1,555,308,856 Equity & Reserves – AED 625,319,608 Non-Current Liabilities – AED 420,304,242 Current Liabilities – AED 509,685,006 Total Equity & Liabilities – AED 1,555,308,856
Summary of cash flows during the financial period	Cash and Bank Balance as at 01.01.2023 – AED 1,323,554 Cash Flow from Operating Activities – AED 69,218,736 Cash Flow from/used Investing Activities – (1,436,447) Cash Flow from Financing Activities – (AED 61,223,087) Cash and Bank Balance as at 30.06.2023 – AED 7,882,756
Main performance indicators	Gross Loss Ratio – (11.96%) Net Loss Ratio – (34.51%) Cash Loss Ratio – (15.80%) Loss Per Share (UAE Dirhams) – (0.174)
Expectations for the sector and the company's role in these expectations	



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<p>Expectations regarding the economy and its impact on the company and the sector</p>	<p>Increasing inflation due to current Geo-Political situation has increased the cost of fuel and energy across the globe which has adversely affected the profitability of cement plants.</p> <p>Recent decrease in coal prices and expected downtrend will reduce the production cost of clinker and cement. But the downside of clinker market is a main concern. The cement market is relatively stable and our goal is convert the clinker sale to cement.</p> <p>There is an improvement showing in the UAE real estate sector.</p>
<p>Future plans for growth and changes in operations in future periods</p>	<p>The factory has obtained BIS Certification from India which will help to expand its market to India. Cement Sales to Oman is also increasing. Coal cost is expected to reduce further from its 2022 peak which will also help the industry to achieve optimum production costs.</p> <p>Our new sale opportunity of 2ton JUMBO bags project will open a new vista in US market. We are eying at a tonnage of 48,000 tons per month in the first phase and 88,000 tons at the 2<sup>nd</sup> phase. We have started export of bulk cement to Yemen &amp; Sur in Oman.</p> <p>Export of steel grade limestone to India and other potential markets will open a new business vertical which can add values to our existing line of business.</p>
<p>The size and impact of current and projected capital expenditures on the company</p>	<p>AED 1.368 million for the 6 months ended 30.06.2023</p>
<p>The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year</p>	<p>The ready Mix Unit constructed at Al Hayl Free Zone, Fujairah has started operations in March 2022.</p>

Signer Distinguished Name: CN=SAEED ALSEREIDI, OU=UAE Government, C=AE  
Signature date: 2023.07.06 08:05:04.00

**Saeed Ahmed Ghareib Alsereidi**  
General Manager

