


## Detailed analysis of accumulated losses

<b>Date</b>	3 November 2020
<b>Name of the Listed Company</b>	Gulf Cement Company (P.S.C)
<b>Define the period of the financial statements</b>	Financial Statement for the period ended 30 September 2020.
<b>Value of the Accumulated losses</b>	AED 413,217,273
<b>Accumulated losses to capital ratio</b>	50.33 %
<b>The main reasons leading to these accumulated losses and their history</b>	<p>As a result of the great challenges that affected the company's results during the previous years and caused accumulated losses, for the following reasons:</p> <p><b><u>First: Marketing challenges</u></b> The company faced difficulties in the export markets that the company depends on as major markets in marketing its products due to heavy dumping from surrounding and global countries, which resulted in the collapse of prices in these markets, as the selling prices reached to the consumer are less than our production cost, in addition to the great challenges in the Local market due to the increase in supply over demand, as well as the impact of economic conditions, restrictions and controls that the company during the year 2020 in the export markets, as these reasons stopped and changed all marketing and operational plans and programs prepared by the company's Board of Directors, and led to difficulty in achieving the results.</p> <p><b><u>Second: Investments</u></b> Due to the instabilities in the economic situation that the financial markets witnessed in recent years, which resulted losses in investments.</p> <p><b><u>Third: Decrease in the fair value of fixed assets</u></b> The company recorded impairment losses in the fair value of its fixed assets during the period ended on September 30, 2020, in accordance with International Accounting Standard No. (IAS36).</p>
<b>Measures to be taken to address accumulated losses:</b>	The company's capital restructuring to extinguish the accumulated losses to be more efficient and support the company's ability to face reality and the major challenges in its future growth.

<b>The Name of the Authorized Signatory</b>	Ahmed Abdullah Al Amash	
<b>Designation</b>	Managing Director	
<b>Signature and Date</b>		3 November 2020
<b>Company's Seal</b>	