



Detailed analysis of accumulated losses

| Date | 10 February 2020 | | | | | | | | | | |
|---|---|--------------|---------------|-------------|-------------|-------------|--------------------|--------------|--------------|---------------|-------------|
| Name of the Listed Company | Gulf Cement Company (P.S.C) | | | | | | | | | | |
| Define the period of the financial statements | Financial Statement for the period ended 31 December 2020. | | | | | | | | | | |
| Value of the Accumulated losses | AED 8,005,416 | | | | | | | | | | |
| Accumulated losses to capital ratio | 1.95 % | | | | | | | | | | |
| The main reasons leading to these accumulated losses and their history | <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><u>First: Marketing challenges</u> Based on the economic reality and the restrictions and controls that the company went through during the year 2020 in the export and local markets, it stopped and changed all marketing and operational plans and programs prepared by the company's board of directors, and it led to great difficulty in achieving the desired results.</p> <p><u>Second: Investments</u> Due to the instabilities in the economic situation that the financial markets witnessed in recent years, which resulted losses in investments.</p> <p><u>Third: stages of accumulated losses</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2019</th> <th style="text-align: center;">30 Sep 2020</th> <th style="text-align: center;">31 Dec 2020</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Accumulated Losses</td> <td style="text-align: center;">(18,331,315)</td> <td style="text-align: center;">(43,090,251)</td> <td style="text-align: center;">(413,217,273)</td> <td style="text-align: center;">(8,005,416)</td> </tr> </tbody> </table> <p>As a result of these challenges that affected the company's results and caused the accumulated losses at the end of the year 2018 to reach AED 413 million until the period ending on September 30, 2020, where the company's board of directors took a strategic decision for the need to quickly address these losses in order to preserve the entity and continuity of the company through compatible solutions With laws and regulations and achieving compatibility with the interest of shareholders.</p> | Year | 2018 | 2019 | 30 Sep 2020 | 31 Dec 2020 | Accumulated Losses | (18,331,315) | (43,090,251) | (413,217,273) | (8,005,416) |
| Year | 2018 | 2019 | 30 Sep 2020 | 31 Dec 2020 | | | | | | | |
| Accumulated Losses | (18,331,315) | (43,090,251) | (413,217,273) | (8,005,416) | | | | | | | |
| Measures to be taken to address accumulated losses: | <p>The accumulated losses of the company were addressed through capital restructuring that amounted to AED 413,217,273 at 50.33% of the company's capital as on September 30, 2020, based on the approval of the AGM to reduce the company's capital in exchange for writing off 410,548,410 shares, in line with the policy and vision of the Board of Directors And the future directions of the company to face reality and big challenges.</p> | | | | | | | | | | |

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| The Name of the Authorized Signatory | Ahmed Abdullah Al Amash |
| Designation | Managing Director |
| Signature and Date |  10 February 2020 |
| Company's Seal |  |