



Details of accumulated losses up to the end of Q3 2019

Following are the details of the accumulated losses, Value and percentage of capital as per the provisions of the SCA Chairman's Decision No. (32 / RM) for the year 2019 regarding the procedures for listed companies in the stock market whose cumulative losses are 20% or more of their capital.

Date	14 November 2019
Company Name	Abu Dhabi National for building Materials- Bildco.
Period of the financial statement	Q3 2019
Accumulated losses	AED 75,977,042 Amount of accumulated losses.
Accumulated losses To capital ratio	The loss represents 25% of the capital, which is the result of the company's activity during two years (2018/2019).
The main reasons leading to these accumulated losses and their history	<ul style="list-style-type: none"><li>- The slowdown experienced by one of the most important sectors of GDP of the State in general and the Emirate of Abu Dhabi in particular, namely the construction sector and the real estate sector had the greatest impact on the performance of the company and the decline in demand for building materials by large rates, which affected the company to reduce sales prices and provide significant facilities in This was not accompanied by a decrease in the prices of the raw materials on which the company relies on its production, which included the company in the scope of operating losses, as evidenced by the financial statements issued in the third quarter of fiscal 2019.</li><li>- The sharp decline in the financial markets in the UAE, which impacted on the revaluation of the company's stock portfolio at an unrealized market price of AED 28.5 million and 9.5% of the capital during 2019.</li></ul>
Measures to be taken to address accumulated losses	<p>The Executive Management has submitted an action plan to the Board of Directors for approval:-</p> <ul style="list-style-type: none"><li>- Give a strong impetus to the marketing of the company's products and open new local markets.</li><li>- Reduce production costs through a series of measures, the most important of which are:<ul style="list-style-type: none"><li>• Development of the company's factories by using natural gas in production instead of diesel, which provides 30% saving of the diesel value.</li><li>• Benefit from the program of stimulating the industrial sector through electricity tariffs, which are expected to reduce by up to about 40% of the value of the electricity bill.</li><li>• Apply for a local component certificate that qualifies the company for purchase orders from the respective governments.</li><li>• Enter into negotiations with suppliers of raw materials to obtain new prices and search for other sources of those materials at lower prices.</li><li>• Adopting a marketing campaign for the company's products to potential customers, etc. Measures to be adopted to address accumulated operating losses</li></ul></li></ul>

  
Rasheed Ali Al Omaira

Chief Executive Officer