



**Details of accumulated losses**

**For the First Quarter 2021**

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 First Quarter 2021 regarding the procedures for listed companies in the stock market whose cumulative losses are 20% or more of their capital.

Date	28 April, 2021
Company Name	Abu Dhabi National Co. for building Materials- Bildco.
Period of the financial statement	Financial Year Q1- 2021
Accumulated losses	The value of accumulated losses as of March 31, 2021 (271,207,041) dirhams
Accumulated losses To capital ratio	As of March 31, 2021, the percentage of accumulated losses reached 90.4%.
The main reasons leading to these accumulated losses and their history	<p>Although the company achieved a total profit of approximately 952,961million dirhams during Q1- 2021, compared to a total profit of 1,318,532 dirhams for the same period last year, the company achieved net losses of (28,976,973) dirhams, compared to a net loss of (41,018,978) dirhams for the same period last year, the company's financial statements as of March 31, 2021 showed accumulated losses of (271,207,041) dirhams, at 90.4% of the capital, compared to accumulated losses of (242,230,068) as of December 31 , 2020 due to the following reasons:</p> <p>1- <b><u>Events that took place during the year 2020, the most important of which are:</u></b> -</p> <ul style="list-style-type: none"><li>- The slowdown in 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 in large proportions, which affected the company's forced to reduce the selling prices of products, while this was not accompanied by the same percentage decrease in the prices of raw materials on which the company depends in Produced.</li><li>- The economic implications of the spread of the new Covid 19 epidemic, and the consequent stoppage of commercial movements for long periods.</li><li>- Delay in the completion of the company's plans to realize profits as a result of the delay by the implementing authorities as a result of the spread of the emerging Covid 19 epidemic.</li><li>- The sharp decline in the financial markets in the country as a result of the spread of the new Corona epidemic, which caused losses in the stock portfolio of 25 million dirhams.</li><li>- Calculation of the provision for the decrease in the value of assets of the Bildco Steel Industries Factory, amounting to 43.5 million dirhams.</li><li>- Calculation of the allowance for doubtful debts of 100% of the arrears of the company's customers, amounting to 23 million dirhams.</li><li>- Calculation of the provision for doubtful debts of 100% of the value due as a result of the sale of the company's share in a Tasweeq company, valued at AED 2.6 million.</li></ul>



	<p>2- <b>Events that took place during the first quarter of 2021 and their modes: -</b> - <u>Realizing unrealized losses</u> in the value of the stock portfolio of (24,970,709) as a result of the general decline in the state's financial markets.</p>
<p>Measures to be taken to address accumulated losses</p>	<p>The company's executive management submitted a work plan to the board of directors for approval. This plan is crystallized in the following axes:</p> <ul style="list-style-type: none"><li>- Amortizing the losses accumulated by the company, along with the capital, which opens the doors in the future towards increasing the company's capital, and restructuring the company's financial conditions.</li><li>- Increase the company's capital by issuing bonds that can be converted into shares with priority rights for old shareholders, to enable the company to complete its future plans.</li><li>- Giving a strong impetus to marketing the company's products, opening new local markets.</li><li>- Reducing production costs through a series of measures, the most important of which are:<ul style="list-style-type: none"><li>- Apply for ICV certification and open new markets by dealing with ADNOC</li><li>- Apply for a local component certificate that qualifies the company to obtain purchase orders from the concerned governments, and obtain discounts of up to 40% on electricity bills.</li></ul></li><li>- Entering into negotiations with suppliers of raw materials to obtain new prices and searching for other sources for those materials at lower prices.</li><li>- Adjusting the selling prices of the company's products to comply with the current circumstances.</li><li>- Work to complete the project of converting the Dubai plant to depend on natural gas instead of diesel, which saves more than 15% of the value of the used diesel</li><li>- Follow up on the company's efforts that led to the issuance of a decision by the Dubai Municipality not to allow the sale of air bricks in the emirate except through the factories in it, which limits the market to our company and a competing company, and opens up horizons for a large company's sales.</li><li>- Adopting a marketing campaign for the company's products to potential clients...etc.</li><li>- Preparing a plan for meeting with the company's suppliers of raw materials to understand lower prices and give financial and time facilities.</li><li>- Preparing a marketing campaign for customers to provide some facilities to attract more of them and thus increase sales and thus reduce costs, which will have an impact on maximizing revenues.</li><li>- Work to prepare a detailed medium-term business plan and search for new sources of funds through the strategic investor, whether local or foreign.</li></ul>

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Internal Controller