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### Detailed analysis of accumulated losses

Date	27/03/2025
Name of the Listed Company	Fujairah Cement Industries PJSC.
Define the period of the financial statements	Annual 2024
Value of the Accumulated losses	AED. 152,022,021
Accumulated losses to capital ratio	42.72 %
The main reasons leading to these accumulated losses and their history	<p>Company is accumulating losses continuously from the financial year 2020.</p> <p>In the financial year 2020 &amp; 2021, spread of COVID-19 has impacted the sales and other operational efficiencies of the entity which resulted in negative margins and net losses</p> <p>In the year 2022 and 2023 company reported significant losses. During these periods due to increased cost of coal / energy, lower selling prices of clinker, decline in revenue, increased logistics cost, increased finance cost, provision taken for obsolete / slow-moving inventory, write down of the inventory of finished &amp; semi-finished products to the net realizable value, impairment on PPE of the subsidiary etc.</p> <p>Company's operations are suspended from 01.01.2024 due to major refurbishment activities initially and the suspension extended due to financial liquidity constraints thus the factory idle cost during the period also resulted in accumulating losses.</p>
Measures to be taken to address accumulated losses:	<p>In Q2 2024 M/s EY Consulting LLC was engaged for a turnaround process, in parallel the company in Q4 2024 started engaging with 07 different entities who have shown considerable interest in acquiring stake in the company.</p> <p>Coal Prices have reached the pre Covid 19 levels which has been the industry norm for coal pricing historically. Due to abnormal increase of coal price by 600 % bottom lines were affected badly. Now lowered coal prices will result in reduced production cost. The cement markets have rebound and the market is stable. The cement market prices are up by 7-10%. The above factors are positive. The company is also venturing into Green Modified Cement to improve the bottom lines.</p>

Chairman

Mohamed Bin Hamad Bin Saif Alsharqi

