Detailed analysis of accumulated losses

<table>
<tr><td>Date:</td><td>7 November 2019</td></tr>
<tr><td>Listed Company Name:</td><td>Ithmaar Holding B.S.C.</td></tr>
<tr><td>Define the period of the financial statements</td><td>Q3 2019</td></tr>
<tr><td>Accumulated losses:</td><td>USD 739.4 million</td></tr>
<tr><td>Accumulated losses to capital ratio:</td><td>97.6%</td></tr>
<tr><td>The main reasons leading to these accumulated losses and their history:</td><td>The accumulated losses before reorganization amounted to 68.8% in December 2016. These represent mainly impairment provisions resulting from non-core investments as a result of financial crises.

During 2018, the Company early adopted FAS30 (AAOIFI equivalent of IFRS9) which resulted in additional impairment provisions and consequently increased the accumulated losses percentage to 98%.

During 2019, the accumulated losses reduced by $12.0 million due to profit for the period as follows:

<table>
<tr><td>Q1 2019</td><td>7,106</td></tr>
<tr><td>Q2 2019</td><td>1,260</td></tr>
<tr><td>Q3 2019</td><td>3,678</td></tr>
<tr><td>Total ($'000)</td><td>12,044</td></tr>
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<tr><td>Measures to be taken to address accumulated losses:</td><td>The Company has been addressing the capital. The appointed consultants during 2018 reviewed the capital structure and capital requirements for the next four years. The capital restructuring plan is part of the Company's Strategy.

The Board of Directors is working on measures to improve the capital of the Company which include, among others, the following:</td></tr>
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	a. Sale of underlying non-core assets of the subsidiaries as part of the Company's asset sale plan. b. Improve profitability by focusing on higher returns on core assets; and c. Reduction of operating expenses and cost rationalization across the group The timeframe of this plan is expected to be three years considering the current market conditions.

Authorized to signatory

شركة الإثمار القابضة ش.م.ب.
P.O. Box: 2820, Seef Tower, Seef District, Kingdom of Bahrain
Ithmaar Holding B.S.C.