Detailed analysis of accumulated losses

Date:	12 August 2021
Listed Company Name:	Ithmaar Holding B.S.C.
Define the period of the financial statements	Interim Financial information Q2 2021
Accumulated losses:	USD 829.0 million
Accumulated losses to capital ratio:	109%
The main reasons leading to these accumulated losses and their history:	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 2020, the accumulated losses increased by $87.5 million mainly due to impact of Covid-19. During Q2 2021, the accumulated losses decreased by $4.8 million mainly due to net income attributable to shareholders.
Measures to be taken to address accumulated losses:	The Board of Directors is working on various initiatives to improve the capital, which will strengthen the Company's consolidated equity, including sale and/or restructuring of non-core assets, subject to further review, negotiations and necessary regulatory approvals.

Authorized to signatory

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