Detailed analysis of accumulated losses

(If the accumulated losses between 20% to less than 50% of the company's capital)

This form has been prepared in accordance with the disclosure requirements included in the SCA Board of Directors' Decision No. (32/R.M.) of 2019 concerning procedures for companies whose shares are listed on the market, and whose accumulated losses amount to (20%) or more of their paid-up capital. Listed Companies are required to comply with the provisions of the decision as soon as their accumulated losses reach (20%) or more of their paid-up capital.

Date:	**13 August 2023**
Name of the Listed Company:	**Al Mazaya Holding Co.**
Define the period of the financial statements:	**Consolidated financial statements for the second quarter ended 30/06/2023**
Value of the Accumulated losses:	**KD 24,245,118**
Accumulated losses to paid-up capital ratio (%):	**% 38.5**
The main reasons for accumulated losses and the period in which these losses began. (Determine the period in which these losses began to appear in the company's financial statements):	The main reason leading to the accumulated losses is due to disposal of a subsidiary during the fiscal period ending 30/06/2023 which had resulted in reclassifying and recycling the foreign currency translation loss amounts recorded during previous years in the foreign currency translation reserve within the company's equity to the statement of profit or loss in accordance with the requirements of the International Financial Reporting Standards which did not result in any impact on the total shareholders' equity or the book value per share due to that reclassification.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	The Parent Company's Board of Directors meeting, held on August 10, 2023, proposed to set-off the accumulated losses amounting to KD 24,439,934 after calculating the impact of dividends approved by the Parent Company's General Assembly held on August 3, 2023 as follows: - Reducing the full balance of share premium by an amount of KD 8,826,198. - Reducing the balance of statutory reserve by an amount of KD 1,132,571. - Reducing the share capital by an amount of KD 14,481,165.

	Accordingly, the Board of Directors recommended reducing the Parent Company's shares capital from 629,559,816 shares to 484,748,163 shares by cancelling 144,811,653 shares with nominal value of 100 fils per share with an equivalent decrease in the amount of KD 14,481,165. These proposals are subject to the approval of the Shareholders' General Assembly of the Parent Company and the relevant regulatory authorities.

The Measures that will be taken to deal with the accumulated losses				
Actions	**The time frame for implementing the action**	**What has been implemented of the action and the percentage of implementation**	**Reasons for not implementing or delaying**	**Any modifications or changes made**
Reducing the full balance of share premium amounting to KD 8,826,198	This action is subject to the approval of the Company Shareholders' Ordinary General Assembly which is expected to be held on 18th October 2023.	These actions are still being under process, as this action was proposed by the Board of Directors of the company on August 10, 2023, noting that this proposal is subject to the approval of the Company Shareholders' Ordinary General Assembly.	N/A	N/A
Reducing the statutory reserve balance by an amount of KD 1,132,571	This action is subject to the approval of the Company Shareholders' Ordinary General Assembly, which is expected to be held on 18th October 2023.	These actions are still being under process, as this action was proposed by the Board of Directors of the company on August 10, 2023, noting that this proposal is subject to the approval of the Company Shareholders' Ordinary General Assembly.	N/A	N/A

Reducing the Company's share capital by an amount of KD 14,481,165	This action is subject to the approval of the relevant regulatory authorities and the approval of the Company Shareholders' Extraordinary General Assembly which is expected to be held on 18th October 2023, followed thereafter with the commercial register annotation procedures.	These actions are still being under process, as this action was proposed by the Board of Directors of the company on August 10, 2023, noting that this proposal is subject to the approval of the relevant regulatory authorities and the approval of the Company Shareholders' Extraordinary General Assembly.	N/A	N/A

The Name of the Authorized Signatory	**Eng. Ibrahim Al Soqabi**
Designation	**Group Chief Executive Officer**
Signature and Date	
Company's Seal	

MAZAYA
شركة المزايا القابضة ش.م.ك.ع (قابضة)
AL MAZAYA HOLDING CO. K.S.C.P (HOLDING)