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:	**14 November 2023**
Name of the Listed Company:	**Al Mazaya Holding Co.**
Define the period of the financial statements:	**Consolidated financial statements for the third quarter ended 30/09/2023**
Value of the Accumulated losses:	**KD 22,519,879**
Accumulated losses to paid-up capital ratio (%):	**36 %**
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 decrease in net profit is mainly due to disposal of a subsidiary 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:	Subsequent to the date of the accompanying interim consolidated financial information, The Parent Company's Shareholders' Ordinary and Extraordinary General Assembly meeting, held on October 5, 2023, approved to reduce the Parent Company's authorized, issued and paid up capital from KD 62,955,982 to KD 48,474,817, with total reduction of KD 14,481,165, to set-off the full balance of the accumulated losses amounting to KD 24,245,118 as per the audited consolidated financial statements for the period ended June 30, 2023, as follows: • Reducing the balance of statutory reserve by KD 937,755. • Reducing the full balance of share premium by KD 8,826,198

	• Reducing the share capital by KD 14,481,165 through canceling 144,811,650 shares with par value of 100 fils per share to set-off the remaining portion of the accumulated losses balance.

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 balance of statutory reserve by KD 937,755.	This action approved of the Company Shareholders' Ordinary and Extraordinary General Assembly, which was held on 05th October 2023.	Action completed	N/A	N/A
Reducing the full balance of share premium by KD 8,826,198.	This action approved of the Company Shareholders' Ordinary and Extraordinary General Assembly, which was held on 05th October 2023.	Action completed	N/A	N/A
Reducing the share capital by KD 14,481,165 through canceling 144,811,650 shares with par value of 100 fils per share to set-off the remaining portion of the accumulated losses balance.	This action approved of the Company Shareholders' Ordinary and Extraordinary General Assembly, which was held on 05th October 2023.	Action completed	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
AL MAZAYA HOLDING CO. K.S.C.P (HOLDING)