Detailed analysis of accumulated losses

(If the accumulated losses 50% and above 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 (50%) or more of their paid-up capital.

Date:	13 February 2024
Name of the Listed Company:	Ithmaar Holding B.S.C.
Define the period of the financial statements:	Q4 2023
Value of the Accumulated losses:	USD 838.06 million
Accumulated losses to paid-up capital ratio (%):	111%
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 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 the financial crises. During 2018, the Company's early adoption of FAS30 (AAOIFI equivalent of IFRS9) 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 the economic impact of Covid-19. During 2021, the accumulated losses decreased by $35.0 million mainly due to net income attributable to shareholders. During 2022, the accumulated losses increased by $29.9 million mainly due to net losses attributable to shareholders. During 2023, the accumulated losses increased by $9.3 million mainly due to net losses attributable to shareholders.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	The Board of Directors is currently working on various initiatives as follows: **Asset Sale and/or Restructuring Plan:** The Board of Directors is working on various initiatives to improve the capital, which will strengthen the Company's consolidated equity, including

	issuance of Tier 1 Mudaraba financing of up to $200 million (approved in the Extra-ordinary General Meeting of 4 June 2023), consideration of sale and/or restructuring of core and non-core assets, and focusing on recovery of financing exposures, subject to further review, negotiations and necessary regulatory approvals. Further details will be announced in due course
The date on which the company's general assembly approved the plan for dealing with accumulated losses:	On 17 March 2022, the Board of Directors (the "Board") summoned an Extraordinary General Meeting of the shareholders as per Article 64(7) of the Group Articles of Association. The Board has recommended measures such as setting off the accumulated losses against the share capital. However, this will be contemplated after consideration of the above-mentioned measures and will be presented to the shareholders for their consideration and approval, subject to the approvals of the competent authorities. The Board of directors are in the process of discussing the issuance of T1 capital with the regulators and its shareholders.

The Name of the Authorized Signatory	**Saqib Mustafa**
Designation	**Chief Financial Officer**
Signature and Date	**13 February 2024**
Company's Seal	شركة الإثمار القابضة ش.م.ب. P.O. Box: 2820, Seef Tower, Seef District, Kingdom of Bahrain Ithmaar Holding B.S.C.