

Detailed analysis of accumulated losses

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| Date: | 28 Jul 2022 |
| Listed Company Name: | Deyaar Development PJSC |
| Define the period of the financial statements | Second quarter ended 30 June 2022 |
| Accumulated losses: | N/A |
| Accumulated losses to capital ratio: | N/A |
| The main reasons leading to the accumulated losses and their history: | <p>The main reasons for the accumulated losses are the provisions for impairment of assets due to the real estate market situation in Dubai recorded in 2010.</p> <p>In addition, in 2018, the Company applied the International Financial Reporting Standard 9 (IFRS 9) which resulted in provisions for certain assets amounting to AED 661 million, which were recorded in the opening balance of accumulated losses as on 1/1/2018.</p> <p>Furthermore, in the year ended 31 December 2020, the Company has incurred losses of AED 216.9 mainly due to impairment and fair value loss adjustments in its hospitality assets as a result of Covid-19 pandemic, which has either directly or indirectly impacted all businesses, but hospitality and tourism are one of those most affected.</p> |
| Measures taken to address accumulated losses: | <p>In the annual general assembly meeting held on 27 April 2022, the shareholders approved The Board of Directors recommendation to reduce the capital by using the legal reserve and cancellation of number of shares to write off the accumulated losses as mentioned in note 11 in Q2 financial statement.</p> <p>On 14 June 2022, the company announced the completion of capital reduction requirements and procedures and activated the reduction on Dubai Financial Market.</p> |

Ala Mansoor Hasan

Board Secretary



Deyaar Development PJSC
PO Box 30833, Dubai, UAE
T: +971 4 395 7700 F: +971 4 395 7680