

DISCLOSURE REGARDING ACCUMULATED LOSSES

Date:	13/08/2020
Listed Company Name:	Eshraq Investments PJSC
Define the period of the financial statement:	For the period ended 31 st March 2020
Accumulated losses	AED 1,041,243,000
Accumulated losses to capital ratio:	0.4478:1
The main reasons leading to these accumulated losses and their history:	<p>As of 31 March 2020, the Company's accumulated losses amounted to AED1,041,243,000 (31 December 2019: AED 994,096,000)</p> <p>The company started accumulating losses since 2014, and this is mainly due to the loss on cancellation of sales in 2014 and losses on fair valuation of investment properties and investment properties under development since 2014.</p>
Measures to be taken to address accumulated losses:	<p>The Company implemented a strategy of efficient and profitable deployment of capital to progressively reduce accumulated losses from future profits.</p> <p>Eshraq also expanded its focus from a pure real estate developer to an investment company with real estate assets in order to benefit from such diversification.</p> <p>Eshraq's sources of income are now more diversified with high quality assets generating recurring income, as well as a healthy investment book. Such diversification away from real estate in 2016 has helped the company mitigate real estate related losses over the past 3 years.</p> <p>Eshraq has an active share buyback, purchasing shares at a discount to the book value, thereby reducing accumulated losses upon cancelation of such shares.</p>


 Ziad Touma
 Board Secretary
 General Counsel and Compliance Officer

