

## Detailed analysis of accumulated losses

Date:	21 October 2019
Listed Company Name:	Deyaar Development PJSC
Define the period of the financial statements	Q3 2019
Accumulated losses:	AED 1,540,185,000
Accumulated losses to capital ratio:	26.66%
The main reasons leading to these 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 at 1/1/2018.</p>
Measures to be taken to address accumulated losses:	<p>In previous years the company worked on completing all existing projects and launch new projects that have seen high selling rates in addition to strengthening the company's portfolio of assets, where the company now has three projects in the hospitality sector will contribute to increasing the revenues in the coming years, the company will continues to launch quality projects, and also keen to diversify its sources of income through property and facilities management services.</p>

Amer Al Zu'bi

General Counsel and Board Secretary

