# Detailed analysis of accumulated losses

**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.**

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| **Date:** | **30 March 2026** |
| **Name of the Listed Company:** | **The National Investor PrJSC** |
| **Define the period of the financial statements:** | **For the twelve months period ended 31 December 2025** |
| **Value of the Accumulated losses:** | **AED'000 71,056** |
| **Accumulated losses to paid-up capital ratio (%):** | **30.02%** |
| **The main reasons for accumulated losses and the period in which these losses began:** | 1) During 2022, the Group recognized several non-recurring losses, including: (i) impairment losses on its investment in National Catering Company amounting to AED 8.9 million (with a further AED 8.2 million impairment recognized in 2023 based on updated performance assessments), (ii) an impairment loss of AED 18.7 million on certain property, plant and equipment relating to Metropolitan Al Mafraq Hotel, determined using a discounted cash flow model by an independent valuer, and (iii) a loss of AED 2.1 million on the disposal of a Masdar land plot (sold for AED 14.6 million against a book value of AED 16.7 million), classified under discontinued operations. Subsequently, in 2024, the Group exited its investment in National Catering Company Holding LLC for AED 25 million, recognizing a further loss on sale of AED 4.9 million. No additional impairment was recorded for the hotel assets during 2024 and up to Q2 2025.<br><br>2) During the year 2024, the Group sold the offices floor of Sky Tower Building located in Al Reem Island for a total consideration of AED 24M. The book value of the property is AED 28.7M and this transaction resulted in a loss of AED 4.7M, which is recognized in the consolidated statement of profit or loss as part of the loss for the year 2024.<br><br>3) During the year 2024, the Group recognized a fair value loss on its investment in sukuk amounting to AED 1.6M (31 December 2023: AED 0.4M) based on the recent pricing from the issuer, Finance House Capital PJS. |

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| | 4) During the period ended 30 June 2025, the accumulated losses to share capital ratio decreased to 30.8% (31 December 2024: 31.7%), mainly attributed to the increased Fee and Service Income (Revenue from hotel operations) in Note 5 on the financial statements for the period ended 30 June 2025.<br><br>5) During the period ended 30 September 2025, the accumulated losses to share capital ratio decreased to 30.3% (30 June 2025: 30.8%), mainly attributed to the increased Fee and Service Income (Revenue from hotel operations).<br><br>6) As of 31 December 2025, the Group's accumulated losses amounted to AED 71 million, representing approximately 30.02% of the issued share capital of AED 235 million. The reduction in accumulated losses during the year is mainly driven by increased fee and service income, particularly from the subsidiary hotel operations. |
| **Summary of the steps and initiatives undertaken by the company to address the accumulated losses:** | The Group will implement the following measures to address accumulated losses:<br><br>1) The group will continue to seek partnerships / opportunities to either develop or exit its real estate portfolio.<br>2) The group will continue to manage the cost base at its portfolio companies to minimize overheads.<br>3) The Board at each portfolio company has reviewed the organization structure and proposed leadership changes to the revenue generating units. This initiative is expected to enhance the top line performance over time. This measure has already taken place at Metropolitan Al Mafraq Hotel.<br>4) Participate in new IPO listings in the UAE to realize trading gains that are accounted for through the statement of income.<br><br>Management is optimistic that these aforementioned key measures along with other strategic initiatives will assist in preserving the group's equity base from any further depletion. |

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| **The Name of the Authorized Signatory** | Mera Abouyoussef |
| **Designation** | Financial Controller |
| **Signature and Date** | 30 March 2026 |
| **Company's Seal** | TNI المستثمر الوطني The National Investor |