

Detailed analysis of accumulated losses

This form has been prepared in line with the disclosure requirements set out in SCA Board of Directors' Decision No. (32/R.M.) of 2019, which outlines the procedures for companies listed on the market whose accumulated losses have reached 20% or more of their paid-up capital. Listed companies must comply with the provisions of this decision immediately once their accumulated losses reach this 20% threshold.

Date:	30-June-26
Name of the Listed Company:	Foodco National Foodstuff PJSC
Define the period of the financial statements:	For the six-month period ended 30 June 2026
Value of the Accumulated losses:	AED'000 : 91,991
Accumulated losses to paid-up capital ratio (%):	32.85%
The main reasons for accumulated losses and the period in which these losses began:	The accumulated losses reported in the Company's consolidated financial statements primarily relate to historical operating losses incurred by certain subsidiaries over a number of prior financial periods. The Group's principal operating businesses, namely the trading and third-party logistics (3PL) segments, were affected by a combination of historical business and operating conditions, including cost structures not fully aligned with operational scale, certain legacy contractual arrangements, and operational inefficiencies that impacted profitability over time. In addition, during FY2025, the Group recognized an impairment of goodwill arising from a historical acquisition, in accordance with the requirements of International Financial Reporting Standards (IFRS). This impairment (about 30.4% of paid-up capital), contributed to the accumulated losses reported in the consolidated financial statements. Accordingly, the accumulated losses reflect the combined effect of historical operating performance in certain business segments and the goodwill impairment recognized in FY2025, rather than any single event or extraordinary transaction.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses	The Company has implemented and continues to execute a range of strategic and operational initiatives aimed at improving performance and restoring sustainable profitability.

	These initiatives include transforming the trading business model, expanding market reach, establishing strategic distribution partnerships, increasing logistics capacity, enhancing operational efficiency, optimizing costs, and improving asset utilization. The Board of Directors continues to actively oversee these initiatives and support management's efforts to strengthen the Group's financial position and create sustainable long-term value for shareholders.
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BOD & Management continues to monitor the progress of these initiatives and believes they provide a solid foundation for improving operating performance and supporting the Company's long-term growth objectives, while remaining mindful of market conditions and other external factors.



Mohammed Hafez

Managing Director