

The Board of Directors
Dlala Brokerage and Investment Holding Company Q.P.S.C.
Doha, State of Qatar

9 October 2022

Subject: Pro forma financial information after capital reduction as at 30 June 2022

Dear Sirs,

We understand that Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") and its subsidiaries (collectively referred as the "Group") decided to offset its accumulated losses against its share capital during extraordinary general meeting held on 27 April 2022, thus, reducing its paid-up share capital from QAR 284,160 thousand to QAR 190,387 thousand. In line with this, we have been requested by the Group to verify the pro forma financial information of the Group (the "Pro forma Statement") as at 30 June 2022 as required by Qatar Stock Exchange (QSE) in its letter dated 22 September 2022.

We have been appointed as the auditors of the Group on 29 June 2022 for the year ending 31 December 2022, and as such, we have completed our review of the condensed consolidated interim financial statements as of and for the six-month period ended 30 June 2022, on which we have issued an unmodified review conclusion. The management of the Group was responsible for the preparation and presentation of these condensed consolidated interim financial statements, and our responsibility was to express a conclusion thereon based on our review.

The Group's Pro forma Statement as at 30 June 2022, assuming the capital reduction as proposed is approved and effective, has been calculated by the Group as follows:

Table 1: Pro forma Statement of the Group after capital reduction

Note: All amounts are expressed in thousand Qatar Riyals (QAR) except for par value, book value and earnings per share details.

Financial statement caption	Amount before capital reduction (1) (in QAR'000)	Effect of capital reduction (in QAR'000)	Amount after capital reduction (in QAR'000)
Share capital	284,160	(93,773)	190,387
Legal reserve	29,364	-	29,364
Fair value reserve	313	-	313
Accumulated losses (see Table 2)	(87,080)	87,080	-
Retained earnings (see Table 2)	-	6,693	6,693
Total equity attributable to the shareholders of the parent	226,757	-	226,757
Less: non - controlling interests	(1,031)	-	(1,031)
Total equity	225,726	-	225,726
Number of shares of the Company (in thousands)	284,160	(93,773)	190,387
Par value per share	1	1	1
Book value per share	0.794	0.392	1.186
Earnings per share	0.018	0.008	0.026

(1) These balances are as per the condensed consolidated interim financial statements as of and for the six - month period ended 30 June 2022.

The offsetting of the Group's accumulated losses against share capital will not result in a change of the Group's net asset position or equity. The break-up of the accumulated losses and retained earnings of the Group are as follows:

Table 2: Reconciliation of accumulated losses and retained earnings

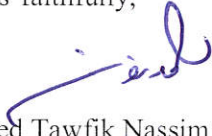
<i>Accumulated losses:</i>	
Name of the entities	Amount (in QAR'000)
Dlala Brokerage and Investment Holding Company Q.P.S.C.	(76,553)
Dlala Brokerage Company W.L.L.	(6,376)
Dlala Information Technology W.L.L.	(6,759)
Dlala Smart Information Technology W.L.L.	(4,079)
Gross accumulated losses	(93,767)
Less: Dlala Real Estate W.L.L. (retained earnings)	6,687
Net accumulated losses as per the condensed consolidated interim financial statements as at 30 June 2022	(87,080)
Less: impact of capital reduction (see Table 1)	87,080
Net accumulated losses after capital reduction (see Table 1)	-
<i>Retained earnings:</i>	
Dlala Real Estate W.L.L. (retained earnings)	6,687
Add: other movement due to capital reduction	6
Net retained earnings after capital reduction (see Table 1)	6,693

Note: The above table have been provided to demonstrate the impact the Group's equity position only, and does not indicate that the change will be effected as at 30 June 2022.

We have not performed any additional procedures in related to the above and this letter does not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standard on Review Engagements, and hence we do not express any audit or review assurance on the financial information reported in the letter.

This letter is issued only for the purpose stated above and should not be used for any other purpose or to be distributed to any other parties, without our prior written consent. We understand that this report will be copied to QSE / Qatar Financial Markets Authority (QFMA) in its capacity as the regulator of the Group. It is issued to you without any risk or financial obligation, whether express or implied and we accept no responsibility or liability to you or any other party in connection with this letter and do not intend to create any obligation, on Mazars, Consultants, Auditors and Partners or on the undersigned for any purpose.

Yours faithfully,


Ahmed Tawfik Nassim
Managing Partner

Auditor's Registration No. 66

QFMA Registration No. 1201911

