

EZDAN HOLDING GROUP Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
31 March 2021

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Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

In thousands of Qatari Riyals

| | 31 March 2021 <i>(Unreviewed)</i> | 31 December 2020 <i>Audited</i> |
|--|---|---------------------------------------|
| ASSETS | | |
| Cash and bank balances | 5 894,923 | 650,311 |
| Trade and other receivables | 6 88,068 | 124,898 |
| Inventories | 10,389 | 9,745 |
| Equity investments | 7 2,447,700 | 2,549,407 |
| Equity-accounted investees and joint venture | 8 798,156 | 816,653 |
| Investment properties | 9 44,756,897 | 44,512,585 |
| Property and equipment | 726,487 | 734,202 |
| TOTAL ASSETS | <u>49,722,620</u> | <u>49,397,801</u> |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Trade and other payables | 10 2,825,423 | 2,605,258 |
| Sukuk and Islamic financing | 12 14,820,714 | 14,760,938 |
| TOTAL LIABILITIES | <u>17,646,137</u> | <u>17,366,196</u> |
| EQUITY | | |
| Share capital | 26,524,967 | 26,524,967 |
| Legal reserve | 1,681,776 | 1,681,776 |
| Fair value reserves | 780,469 | 882,152 |
| Foreign currency translation reserve | (2,558) | (1,784) |
| Retained earnings | 3,370,795 | 3,223,486 |
| Equity attributable to owners of the Company | 32,355,449 | 32,310,597 |
| Non-controlling interests | (278,966) | (278,992) |
| TOTAL EQUITY | <u>32,076,483</u> | <u>32,031,605</u> |
| TOTAL LIABILITIES AND EQUITY | <u>49,722,620</u> | <u>49,397,801</u> |

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 26 April 2021.



Abdalla Bin Thani Al-Thani
Vice Chairman



Tamer Fouad Mahmoud
Group Chief Financial Officer

The notes on pages 7 to 25 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2021

In thousands of Qatari Riyals

| | Note | <i>For the three months ended 31 March 2021 (Unreviewed)</i> | <i>For the three months ended 31 March 2020 (Unreviewed)</i> |
|--|------|--|--|
| CONTINUED OPERATIONS | | | |
| Rental income | 13 | 297,557 | 306,286 |
| Other operating revenues | 13 | 23,083 | 19,958 |
| Operating expenses | 14 | <u>(52,032)</u> | <u>(54,657)</u> |
| OPERATING PROFIT FROM MAIN OPERATIONS | | 268,608 | 271,587 |
| Dividend income from equity investments | 7 | 69,702 | 93,205 |
| Share of results of equity-accounted investees and joint venture | 8 | <u>14,140</u> | <u>13,453</u> |
| NET OPERATING PROFIT | | 352,450 | 378,245 |
| Loss from foreign currency exchange | | (10,145) | (24,344) |
| Other income | | 2,186 | 1,870 |
| Finance costs | 12 | (169,170) | (210,164) |
| General and administrative expenses | 14 | (17,304) | (19,364) |
| Impairment loss of trade and other receivables - net | | (2,881) | - |
| Depreciation of property and equipment | | <u>(7,801)</u> | <u>(8,230)</u> |
| PROFIT FOR THE PERIOD | | <u>147,335</u> | <u>118,013</u> |
| <i>Profit attributable to:</i> | | | |
| Owners of the Company | | 147,309 | 118,014 |
| Non-controlling interests | | <u>26</u> | <u>(1)</u> |
| | | <u>147,335</u> | <u>118,013</u> |
| BASIC AND DILUTED EARNINGS PER SHARE | 15 | <u>0.006</u> | <u>0.004</u> |

The notes on pages 7 to 25 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2021

In thousands of Qatari Riyals

| | <i>For the three months ended 31 March 2021</i> | <i>For the three months ended 31 March 2020</i> |
|--|---|---|
| | <i>(Unreviewed)</i> | <i>(Unreviewed)</i> |
| Profit for the period | 147,335 | 118,013 |
| Other comprehensive income | | |
| <i>Item that will not be reclassified to profit or loss</i> | | |
| Equity investments at FVOCI - net change in fair value | (101,707) | (167,734) |
| Equity-accounted investees - share of OCI | 24 | 70 |
| | (101,683) | (167,664) |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | |
| Foreign operations - foreign currency translation differences | (774) | 3,225 |
| Other comprehensive loss for the period | (102,457) | (164,439) |
| TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD | 44,878 | (46,426) |
| <i>Attributable to:</i> | | |
| Owners of the Company | 44,852 | (46,425) |
| Non-controlling interests | 26 | (1) |
| | 44,878 | (46,426) |

The notes on pages 7 to 25 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

In thousands of Qatari Riyals

| | <i>Attributable to owners of the Company</i> | | | | | <i>Total</i> | <i>Non-controlling interest</i> | <i>Total equity</i> |
|--|--|--------------------------|----------------------------|---|--------------------------|-------------------|---------------------------------|---------------------|
| | <i>Share capital</i> | <i>Legal reserve (1)</i> | <i>Fair value reserves</i> | <i>Foreign currency translation reserve</i> | <i>Retained earnings</i> | | | |
| Balance at 1 January 2021 (Audited) | 26,524,967 | 1,681,776 | 882,152 | (1,784) | 3,223,486 | 32,310,597 | (278,992) | 32,031,605 |
| Net profit for the period | - | - | - | - | 147,309 | 147,309 | 26 | 147,335 |
| Other comprehensive (loss) income for the period | - | - | (101,683) | (774) | - | (102,457) | - | (102,457) |
| Total comprehensive (loss) income for the period | - | - | (101,683) | (774) | 147,309 | 44,852 | 26 | 44,878 |
| Balance at 31 March 2021 (Unreviewed) | 26,524,967 | 1,681,776 | 780,469 | (2,558) | 3,370,795 | 32,355,449 | (278,966) | 32,076,483 |

The notes on pages 7 to 25 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the three months ended 31 March 2021

In thousands of Qatari Riyals

| | <i>Attributable to owners of the Company</i> | | | | | <i>Total</i> | <i>Non-controlling interest</i> | <i>Total equity</i> |
|--|--|--------------------------|----------------------------|---|--------------------------|-------------------|---------------------------------|---------------------|
| | <i>Share capital</i> | <i>Legal reserve (1)</i> | <i>Fair value reserves</i> | <i>Foreign currency translation reserve</i> | <i>Retained earnings</i> | | | |
| Balance at 1 January 2020 (Audited) | 26,524,967 | 1,646,982 | 591,918 | (247) | 2,919,245 | 31,682,865 | (279,034) | 31,403,831 |
| Net profit for the period | - | - | - | - | 118,014 | 118,014 | (1) | 118,013 |
| Other comprehensive (loss) income for the period | - | - | (167,664) | 3,225 | - | (164,439) | - | (164,439) |
| Total comprehensive (loss) income for the period | - | - | (167,664) | 3,225 | 118,014 | (46,425) | (1) | (46,426) |
| Balance at 31 March 2020 (Unreviewed) | <u>26,524,967</u> | <u>1,646,982</u> | <u>424,254</u> | <u>2,978</u> | <u>3,037,259</u> | <u>31,636,440</u> | <u>(279,035)</u> | <u>31,357,405</u> |

(1) In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Company's Article of Association, a minimum of 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Company's Article of Association. No transfer has been made for the three months ended 31 March 2020 as the Group will transfer the total required amount by 31 December 2020.

The notes on pages 7 to 25 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2021

In thousands of Qatari Riyals

| | <i>Note</i> | For the three months ended 31 March 2021 (Unreviewed) QR'000 | For the three months ended 31 March 2020 (Unreviewed) QR'000 |
|--|-------------|---|---|
| OPERATING ACTIVITIES | | | |
| Profit for the period | | 147,335 | 118,013 |
| <i>Adjustments for:</i> | | | |
| Loss / (gain) on disposal of property and equipment | | 4 | (128) |
| Share of results of equity-accounted investees and joint venture | 8 | (14,140) | (13,453) |
| Depreciation of property and equipment | | 7,801 | 8,230 |
| Provision for employees' end of services benefits | 14 | 987 | 994 |
| Dividend income from equity investments | 7 | (69,702) | (93,205) |
| Impairment loss of trade and other receivables | | 2,986 | - |
| Reversal of allowance for impairment loss of trade and other receivables | | (105) | - |
| Profit on Islamic bank accounts | | (2,050) | (1,371) |
| Finance costs | 12 | 169,170 | 210,164 |
| Operating profit before working capital changes | | 242,286 | 229,244 |
| <i>Changes in:</i> | | | |
| Trade and other receivables | | 33,946 | 130,867 |
| Inventories | | (644) | 784 |
| Trade and other payables | | 23,764 | (175,000) |
| Cash from operating activities | | 299,352 | 185,895 |
| Employees' end of service benefits paid | | (122) | (268) |
| Net cash flows from operating activities | | 299,230 | 185,627 |
| INVESTING ACTIVITIES | | | |
| Payments for development of Investment properties | | (30,560) | (23,530) |
| Additions to property and equipment | | (90) | (418) |
| Proceeds from disposal of property and equipment | | - | 139 |
| Net movement in restricted bank balances | | (4,117) | 2,278 |
| Dividends income received | 7,8 | 102,362 | 133,613 |
| Investment in short term security deposits | | 36,415 | - |
| Finance income received | | 2,050 | 1,371 |
| Net cash flows from investing activities | | 106,060 | 113,453 |
| FINANCING ACTIVITIES | | | |
| Proceeds from Sukuk and Islamic financing borrowings | 12 | - | 2,150,000 |
| Repayments for Sukuk and Islamic financing borrowings | 12 | (113,614) | (2,033,311) |
| Transaction cost | | 4,221 | (30,858) |
| Dividends paid | | (16,700) | (10,350) |
| Net cash flows from (used in) financing activities | | (126,093) | 75,481 |
| NET INCREASE IN CASH AND BANK BALANCES | | | |
| Net foreign exchange differences | | (2,287) | 9,266 |
| Cash and cash equivalents as of 1 January | | 611,321 | 54,086 |
| CASH AND CASH EQUIVALENT AT 31 MARCH | 5 | 888,231 | 437,913 |

The notes on pages 7 to 25 are an integral part of these condensed consolidated interim financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2021

1 REPORTING ENTITY

Ezdan Holding Group Q.P.S.C. (the “Company”) is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 15466. The Company was established on 24 May 1993 as a limited liability company, and was publicly listed at Qatar Stock Exchange on 18 February 2008. The Company is domiciled in the State of Qatar and its registered office is at Ezdan Towers, West Bay Doha, State of Qatar.

The principal activities of the Company and its subsidiaries include financial and administrative control over a company or more by owing at least 51% of its shares, investment in shares, Sukuk, financial securities, and other investments inside and outside the State of Qatar, owning patents, commercial works and privilege , and other rights using them and renting them to others, providing real estate consulting services, managing property and collect rentals and providing property maintenance works.

The principal subsidiaries of the Group are as follows:

| <i>Name of the subsidiary</i> | <i>Country of incorporation</i> | <i>Principal Activity</i> | <i>Effective percentage of ownership</i> | | |
|--|---------------------------------|--|--|-------------------------|----------------------|
| | | | <i>31 March 2021</i> | <i>31 December 2020</i> | <i>31 March 2020</i> |
| Ezdan Hotels Company W.L.L. | Qatar | Hotel services | 100% | 100% | 100% |
| Ezdan Mall Company W.L.L. | Qatar | Malls management | 100% | 100% | 100% |
| Ezdan Real Estate Company W.L.L. | Qatar | Real estate services | 100% | 100% | 100% |
| Ezdan Palace Hotel Company W.L.L. | Qatar | Hotel services | 100% | 100% | 100% |
| Al Ekleem for Real Estate and Mediation Co. W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Al Taybin Trading Company W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Al Namaa for Maintenance Company W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Shatea Al Nile Company W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Arkan for Import and Export Company W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Tareek Al Hak Trading Company W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Een Jaloot Trading Company W.L.L. | Qatar | Investments in shares | 100% | 100% | 100% |
| Ezdan World W.L.L. | Qatar | Entertainment services | 70% | 70% | 70% |
| Emtedad Real Estate for Projects W.L.L. | Qatar | Real estate development | 67.5% | 67.5% | 67.5% |
| Ezdan International Limited | Jersey | Investment property management | 100% | 100% | 100% |
| Haloul Ezdan For Trading and Construction Company W.L.L. | Qatar | Building and maintenance works | 100% | 100% | 100% |
| Ezdan for Partnership Company W.L.L. | Qatar | Marketing and management | 100% | 100% | 100% |
| Ezdan for Cleaning Company W.L.L. | Qatar | General cleaning of buildings | 100% | 100% | 100% |
| Ezdan for Landscape Company W.L.L. | Qatar | Sewerage and sanitary contracting services | 100% | 100% | 100% |
| Alraed for Sewerage Company W.L.L. | Qatar | Sewerage and sanitary contracting services | 100% | 100% | 100% |
| Ezdan for Transactions Clearance Company W.L.L. | Qatar | Transaction clearance services | 100% | 100% | 100% |

The Parent of the Group is Al-Tadawul Trading Group Q.P.S.C. (“Tadawul”) which owns approximately 54% of the share capital of the Group as at 31 March 2021(31 December 2020: 54%).

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2020 (the “last annual financial statements”). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 26 April 2021.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team who has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports significant valuation issues directly to the Group’s Chief Financial Officer and audit committee.

The Group’s Chief Financial Officer and audit committee together with the valuation team regularly reviews valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is insignificant to the entire measurement.

The Group recognises the transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring the fair values is included in Note 18.

Management has carried its equity investments and derivative financial assets / liabilities at fair value. For other financial assets and liabilities management believes that as at the reporting date their fair values approximated their carrying amounts. For investment property, the management has valued it at 31 December 2020 and believes that there will be no significant changes in its fair valuation at the interim reporting date.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2021

In thousands of Qatari Riyals

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020.

5 CASH AND BANK BALANCES

For the purpose of the condensed consolidated interim statement of cash flows, cash and bank balances comprised of the following:

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|---|---|---|
| Cash on hand | 3,070 | 297 |
| <i>Cash at banks and other financial institutions</i> | | |
| Current accounts | 391,375 | 22,074 |
| Saving and call accounts (1) | 493,786 | 625,365 |
| Margin accounts | 6,692 | 2,575 |
| <i>Total cash at banks and other financial institutions</i> | <u>891,853</u> | <u>650,014</u> |
| <i>Cash and cash equivalents</i> | <u>894,923</u> | 650,311 |
| <i>Less: restricted bank balances (2)</i> | (6,692) | (2,575) |
| <i>Less: bank deposits (3)</i> | - | (36,415) |
| <i>Cash and cash equivalents</i> | <u><u>888,231</u></u> | <u><u>611,321</u></u> |

(1) This includes short term deposit of QR 488 Million as at 31 March 2021 "QR 616 Million as at 31 December 2020".

(2) Restricted bank balances represent cash margin (letter of guarantees) and are not available for use by the Group.

(3) Bank deposits represent deposits which will be maturing in the month of April 2021.

6 RECEIVABLES AND PREPAYMENTS

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|--|---|---|
| Tenant receivables – net | 47,728 | 47,361 |
| Receivable from government on expropriation of investment property | - | 46,844 |
| Advances to suppliers and contractors | 7,488 | 7,398 |
| Due from related parties - net (Note 11(b)) | 1,190 | 1,380 |
| Refundable deposits – net | 11,084 | 11,084 |
| Prepaid expenses | 13,613 | 4,175 |
| Accrued income | 938 | 1,052 |
| Net other receivables and debit balances | 6,027 | 5,604 |
| | <u>88,068</u> | <u>124,898</u> |
| The maturity of receivables and prepayments are as follows: | | |
| Current | 76,984 | 113,814 |
| Non-current | 11,084 | 11,084 |
| | <u>88,068</u> | <u>124,898</u> |

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2021

In thousands of Qatari Riyals

7 EQUITY INVESTMENTS

| | 31 March 2021 (Unreviewed) | 31 December 2020 (Audited) |
|---------------------------------|---|---|
| At 1 January | 2,549,407 | 2,259,524 |
| Purchases | - | 864 |
| Other disposals | - | (864) |
| Net change in fair value | <u>(101,707)</u> | <u>289,883</u> |
| At 31 March/ 31 December | <u>2,447,700</u> | <u>2,549,407</u> |

The equity investments consist of:

| | 31 March 2021 (Unreviewed) | 31 December 2020 (Audited) |
|-------------------|---|---|
| Quoted shares (1) | <u>2,447,700</u> | <u>2,549,407</u> |
| | <u>2,447,700</u> | <u>2,549,407</u> |

(1) The quoted shares are the Group's equity investments that are carried at FVOCI.

Quoted shares: concentration of investment portfolio

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of industry concentration. The industry concentration of the investment portfolio is as follows:

| | 31 March 2021 (Unreviewed) | 31 December 2020 (Audited) |
|---|---|---|
| Quoted shares listed at Qatar Stock Exchange (QSE) | | |
| Banks and financial institutions | 2,378,868 | 2,483,111 |
| Consumer goods and services | 29,558 | 32,267 |
| Transportation | 18,026 | 17,962 |
| Industries | 20,790 | 15,609 |
| Telecommunication | 12 | 10 |
| Real estate | 446 | 448 |
| | <u>2,447,700</u> | <u>2,549,407</u> |

The Group generated dividend income from the equity investments amounting to QR 69,702 during the three months ended 31 March 2021 (QR 93,205 during the three months ended 31 March 2020).

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2021

In thousands of Qatari Riyals

8 EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE

| | <i>Country of incorporation</i> | <i>Ownership interest</i> | | <i>31 March 2021</i> <i>(Unreviewed)</i> <i>%</i> | <i>31 December 2020</i> <i>(Audited)</i> <i>%</i> | <i>31 March 2021</i> <i>(Unreviewed)</i> <i>QR'000</i> | <i>31 December 2020</i> <i>(Audited)</i> <i>QR'000</i> |
|---|---------------------------------|---|---|---|---|--|--|
| | | <i>31 March 2021</i> <i>(Unreviewed)</i> <i>%</i> | <i>31 December 2020</i> <i>(Audited)</i> <i>%</i> | | | | |
| Qatar International Islamic Bank Q.P.S.C. | Qatar | 6.04% | 6.04% | 559,836 | 576,349 | | |
| Medicare Group Q.P.S.C. | Qatar | 2.00% | 2.00% | 39,474 | 40,608 | | |
| Qatar Islamic Insurance Group Q.P.S.C. | Qatar | 4.92% | 4.92% | 48,460 | 47,975 | | |
| Total of associate | | | | <u>647,770</u> | <u>664,932</u> | | |
| <i>Joint venture:</i> | | | | | | | |
| White Square Real Estate Company W.L.L. | Qatar | 32.50% | 32.50% | 150,386 | 151,721 | | |
| | | | | <u>798,156</u> | <u>816,653</u> | | |

Reconciliation of the summarized financial information presented to the carrying amount of its interests in equity-accounted investees and joint venture is as follows:

| | <i>31 March 2021</i> <i>(Unreviewed)</i> | <i>31 December 2020</i> <i>(Audited)</i> |
|---|---|---|
| At 1 January | 816,653 | 834,173 |
| Dividends received | (32,660) | (44,457) |
| Share of results | 14,140 | 26,801 |
| Share of net movement in other comprehensive income | 24 | 144 |
| Share of the net movement of translation reserve | (1) | (8) |
| At 31 March/ 31 December | <u>798,156</u> | <u>816,653</u> |

During the period, the Group recognized its share in the operating results of its associates / joint venture amounting to QR 14,140 (QR 13,453 during the three months ended 31 March 2020).

9 INVESTMENT PROPERTIES

| | <i>31 March 2021</i> <i>(Unreviewed)</i> | <i>31 December 2020</i> <i>(Audited)</i> |
|--|---|---|
| At 1 January | 44,512,585 | 43,933,362 |
| Development costs during the period/ year | 234,251 | 550,677 |
| Foreign exchange adjustment | 1,515 | 3,043 |
| Capitalized finance costs on investment property under development | 8,546 | 25,503 |
| At 31 March/ 31 December | <u>44,756,897</u> | <u>44,512,585</u> |

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2021

In thousands of Qatari Riyals

9 INVESTMENT PROPERTIES (CONTINUED)

Investment properties consists of:

| | 31 March 2021 (Unreviewed) | 31 December 2020 (Audited) |
|----------------------------|---|---|
| Completed properties | 41,293,642 | 41,279,478 |
| Vacant land | 1,052,337 | 1,052,337 |
| Projects under development | <u>2,410,918</u> | <u>2,180,770</u> |
| | <u>44,756,897</u> | <u>44,512,585</u> |

Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 31 December 2020. The valuer is an accredited independent valuer with a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgment and not only relied on historical transactions comparable. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation-Professional Standards 2017 (the "Red Book").

Group did not performed a fair valuation of investment properties at 31 March 2021.

Investment properties are located in State of Qatar and United Kingdom.

The mortgages on the investment properties are disclosed in Note 12.

10 PAYABLES AND OTHER LIABILITIES

| | 31 March 2021 (Unreviewed) | 31 December 2020 (Audited) |
|--|---|---|
| Due to related parties (Note 11(c.i)) | 1,840,897 | 1,634,142 |
| Dividend payables | 639,380 | 656,080 |
| Tenants' deposits | 138,694 | 141,026 |
| Payables to contractors and suppliers | 53,584 | 45,836 |
| Unearned rent income | 64,781 | 41,768 |
| Retention payable | 25,935 | 25,935 |
| Accrued expenses | 10,912 | 10,510 |
| Provision for Social and Sports Activities Fund | 8,699 | 8,699 |
| Provision for employees' end of service benefits (Note 14) | 8,832 | 7,374 |
| Other payables | <u>33,709</u> | <u>33,888</u> |
| | <u>2,825,423</u> | <u>2,605,258</u> |

The maturity of payables and other liabilities are as follows:

| | 31 March 2021 (Unreviewed) | 31 December 2020 (Audited) |
|-------------|---|---|
| Non-current | 34,767 | 33,309 |
| Current | <u>2,790,656</u> | <u>2,571,949</u> |
| | <u>2,825,423</u> | <u>2,605,258</u> |

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11 RELATED PARTIES DISCLOSURES

(a) Related party transactions

Transactions with related parties included in the condensed consolidated statement of profit or loss are as follows:

| | <i>For the three months ended 31 March 2021 (Unreviewed)</i> | <i>For the three months ended 31 March 2020 (Unreviewed)</i> |
|--|--|--|
| <u>Transactions with entities under common control:</u> | | |
| Development costs of investment property (1) | <u>234,250</u> | <u>409,781</u> |
| Capitalized finance costs | <u>7,934</u> | <u>4,078</u> |
| Rental income | <u>601</u> | <u>762</u> |
| <u>Transactions with associates:</u> | | |
| Expensed-out finance costs (2) | <u>25,561</u> | <u>18,226</u> |
| Capitalized finance costs (2) | <u>70</u> | <u>82</u> |
| <u>Transactions with key management personnel:</u> | | |
| Allowances of key management personnel | <u>2,212</u> | <u>831</u> |
| <u>Transaction with other related party:</u> | | |
| Financing received | <u>-</u> | <u>24,637</u> |

(1) The Group entered into a construction agreement with SAK Trading and Contracting Company W.L.L., to construct specific investment properties (Note 9).

(2) The Group had secured Islamic finance borrowing from its equity-accounted investee (Note 11(c.i)).

All related party transactions were effected at commercial terms and conditions.

(b) Due from related parties

| | <i>Note</i> | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|---|-------------|---|---|
| Al-Tadawul Trading Group Q.P.S.C. | | 651 | 657 |
| The Curve Hotel Company W.L.L. | | 539 | 460 |
| White Square Real Estate Company W.L.L. | | - | 263 |
| | | <u>1,190</u> | <u>1,380</u> |

The above balances are of commercial nature, bear no interest or securities and are receivable on demand.

(c.) Due to a related party

| | <i>Note</i> | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|---------------------|-------------|---|---|
| SAK Holding W.L.L. | | 507,743 | 299,365 |
| Other related party | | <u>1,334,070</u> | <u>1,334,777</u> |
| | | <u>1,841,813</u> | <u>1,634,142</u> |

The above balance is of commercial nature, bears no interest or securities and a non-current obligation.

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11 RELATED PARTIES DISCLOSURES (CONTINUED)

(c.i) Other related party payables

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|-----------------------------------|---|---|
| <i>Equity accounted investee:</i> | | |
| Islamic financing borrowings | <u>1,888,582</u> | <u>1,883,123</u> |
| Trade payables to QIIG | <u>3,011</u> | <u>4,022</u> |

12 SUKUK AND ISLAMIC FINANCING BORROWINGS

The movements on the Islamic financing borrowings during the period / year were as follows:

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|---------------------------------|---|---|
| At 1 January | 14,814,471 | 14,390,355 |
| Additions | - | 2,284,891 |
| Finance costs | 169,170 | 652,436 |
| Repayments | <u>(113,615)</u> | <u>(2,513,211)</u> |
| | 14,870,026 | 14,814,471 |
| Less: transaction costs | <u>(49,312)</u> | <u>(53,533)</u> |
| At 31 March/ 31 December | <u>14,820,714</u> | <u>14,760,938</u> |

The borrowings are presented in the condensed consolidated statement of financial position as follows:

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|-------------|---|---|
| Non-current | 12,770,846 | 12,665,722 |
| Current | <u>2,049,868</u> | <u>2,095,216</u> |
| | <u>14,820,714</u> | <u>14,760,938</u> |

Terms and conditions of the outstanding borrowing facilities were as follows:

| <i>Type of facility</i> | <i>Currency</i> | <i>Condition</i> | <i>Profit rate</i> | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|-------------------------|-----------------|------------------|--------------------|---|---|
| Ijara | QR | Secured | QMRL rate | 4,398,924 | 4,415,517 |
| Murabaha | QR | Secured | QMRL rate | 6,597,823 | 6,547,566 |
| Murabaha | USD | Secured | 1Y/3 M LIBOR | 315,968 | 335,743 |
| Sukuk financings | USD | Unsecured | 4.375% / 4.875% | <u>3,557,311</u> | <u>3,515,645</u> |
| | | | | <u>14,870,026</u> | <u>14,814,471</u> |

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12 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)

The Islamic financing borrowings have been obtained for the purpose of financing the obligations of the Group. All the contracts carry profits at commercial rates. The Group recognized finance costs amounting to QR 169,170 (three months period ended 31 March 2020: QR 210,164) during the period.

As at 31 March 2021, the Group had secured borrowings against mortgages on different types of investment property (Note 9) owned by the Group with a fair market value of QR 19,796,260 (31 December 2020: QR 19,796,260).

13 RENTAL INCOME AND OTHER OPERATING REVENUES

The Group's operations and main revenue streams are those described in the last annual financial statements. Apart from income from investments and leasing, Group has revenue from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by major service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Note 18).

A. Disaggregation of revenue based on major revenue streams:

| <i>For the three months ended 31 March 2021 (Unreviewed)</i> | <i>Revenue streams</i> | | | | <i>Total</i> |
|--|--|--------------------|-----------------------------|---------------|----------------|
| | <i>Residential and commercial property</i> | <i>Investments</i> | <i>Hotel and suites</i> | <i>Malls</i> | |
| Rental income (under IFRS 16) | 259,438 | - | 26,198 | 11,921 | 297,557 |
| Revenue under IFRS 15 | | | | | |
| <i>Major service lines</i> | | | | | |
| Food and beverage | - | - | 4,159 | - | 4,159 |
| Health club | - | - | 590 | - | 590 |
| Internet | - | - | 344 | - | 344 |
| Laundry | - | - | 186 | - | 186 |
| Entertainment | - | - | - | 143 | 143 |
| Provision of utilities services | 5,573 | - | - | - | 5,573 |
| Common area charges | - | - | - | 4,467 | 4,467 |
| Marketing services | - | - | - | 1,196 | 1,196 |
| Others | 5,724 | - | 77 | 624 | 6,425 |
| Revenue under IFRS 15 | 11,297 | - | 5,356 | 6,430 | 23,083 |
| Income from investments and other income | | | | | |
| Dividend income from equity accounted investees | - | 69,702 | - | - | 69,702 |
| Share of result of equity-accounted investees and joint venture | - | 14,140 | - | - | 14,140 |
| Other income | 2,161 | 22 | 2 | 1 | 2,186 |
| | 2,161 | 83,864 | 2 | 1 | 86,028 |
| External revenue as reported | 272,896 | 83,864 | 31,556 | 18,352 | 406,668 |

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13 RENTAL INCOME AND OTHER OPERATING REVENUES (Continued)

Disaggregation of revenue (continued)

A. Disaggregation of revenue based on major revenue streams (continued):

| For the three months ended 31 March 2020 (Unreviewed) | Revenue streams | | | | Total |
|--|---|-------------|---------------------|--------|---------|
| | Residential and commercial property | Investments | Hotel and suites | Malls | |
| Rental income (under IFRS 16) | 257,723 | - | 41,215 | 7,348 | 306,286 |
| Revenue under IFRS 15 | | | | | |
| Major service lines | | | | | |
| Food and beverage | - | - | 4,392 | - | 4,392 |
| Health club | - | - | 688 | - | 688 |
| Internet | - | - | 472 | - | 472 |
| Laundry | - | - | 197 | - | 197 |
| Entertainment | - | - | - | 77 | 77 |
| Provision of utilities services | 5,574 | - | - | - | 5,574 |
| Common area charges | - | - | - | 4,981 | 4,981 |
| Marketing services | - | - | - | 700 | 700 |
| Others | 1,698 | - | 110 | 1,069 | 2,877 |
| Revenue under IFRS 15 | 7,272 | - | 5,859 | 6,827 | 19,958 |
| Income from investments and other income | | | | | |
| Dividend income from equity accounted investees | - | 93,205 | - | - | 93,205 |
| Share of result of equity-accounted investees and joint venture | - | 13,453 | - | - | 13,453 |
| Other income | 1,831 | 35 | 2 | 2 | 1,870 |
| | 1,831 | 106,693 | 2 | 2 | 108,528 |
| External revenue as reported | 266,826 | 106,693 | 47,076 | 14,177 | 434,772 |

B. Disaggregation of revenue under IFRS 15 based on timing of revenue recognition:

| | For the three months ended 31 March | | Timing of revenue recognition |
|---------------------------------|--|----------------------|-------------------------------|
| | 2021 (Unreviewed) | 2020 (Unreviewed) | |
| Food and beverage | 4,159 | 4,392 | Point in time |
| Health club | 590 | 688 | Over the time |
| Internet | 344 | 472 | Over the time |
| Laundry | 186 | 197 | Point in time |
| Entertainment | 143 | 77 | Over the time |
| Provision of utilities services | 5,573 | 5,574 | Over the time |
| Common area charges | 4,467 | 4,981 | Over the time |
| Marketing services | 1,196 | 700 | Over the time |
| Others | 6,425 | 2,877 | Over the time |
| Revenue under IFRS 15 | 23,083 | 19,958 | |

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14 EXPENSES

Operating expenses:

| | <i>For the three months ended 31 March 2021 (Unreviewed)</i> | <i>For the three months ended 31 March 2020 (Unreviewed)</i> |
|--------------------------|--|--|
| Utilities | 10,584 | 16,107 |
| Staff cost | 14,598 | 12,075 |
| Repairs and maintenance | 6,904 | 5,286 |
| Sewage | 6,092 | 5,500 |
| Air conditioning | 3,806 | 4,116 |
| Security | 2,731 | 2,553 |
| Cleaning | 2,171 | 2,320 |
| Food and beverages | 972 | 1,468 |
| Laundry and dry cleaning | 680 | 1,236 |
| Registration fees | 1,589 | 1,505 |
| Advertising costs | 360 | 159 |
| Commissions | 162 | 578 |
| Other operating expenses | 1,383 | 1,754 |
| | 52,032 | 54,657 |

General and administrative expenses:

| | <i>For the three months ended 31 March 2021 (Unreviewed)</i> | <i>For the three months ended 31 March 2020 (Unreviewed)</i> |
|---|--|--|
| Staff cost | 8,616 | 7,567 |
| Professional fees | 1,473 | 4,967 |
| Registration fees | 2,099 | 2,104 |
| Bank charges | 1,353 | 2,125 |
| Information system | 392 | 377 |
| Utilities | 854 | - |
| Insurance costs | 1,023 | 973 |
| Advertising costs | 114 | 27 |
| Communication | 542 | 496 |
| Printing and stationery | 142 | 133 |
| Other general and administrative expenses | 696 | 595 |
| | 17,304 | 19,364 |

(1) Staff cost includes a provision for employees' end of service benefits of QR 987 (three-month period ended 31 March 2020 : QR 994.

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15 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

| | <i>For the three months ended 31 March 2021 (Unreviewed)</i> | <i>For the three months ended 31 March 2020 (Unreviewed)</i> |
|---|--|--|
| Profit for the period attributable to owners of the Company (in QR'000) | <u>147,309</u> | <u>118,014</u> |
| Weighted average number of shares outstanding during the period (thousands of share) | <u>26,524,967</u> | <u>26,524,967</u> |
| Basic and diluted earnings per share (in QR) | <u>0.006</u> | <u>0.004</u> |

16 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|-----------------|---|---|
| Bank guarantees | <u>5,555</u> | <u>5,555</u> |

Commitments

The Group has the following contractual obligations to develop investment properties at the reporting date.

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|---|---|---|
| Contractual commitments to contractors and suppliers for development of investment property projects | <u>1,100,256</u> | <u>1,133,048</u> |

16 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)**(ii) Operating lease commitments:***Group as a lessor:*

The Group leases out residential and commercial properties under non-cancellable operating lease agreements.

The rent income recognized to profit or loss during the three months period is disclosed in Note 13 as "Rental income".

The future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

| | <i>31 March 2021 (Unreviewed)</i> | <i>31 December 2020 (Audited)</i> |
|--|---|---|
| No later than 1 year | 711,141 | 691,909 |
| Later than one year and no later than five years | 321,434 | 386,306 |
| More than five year | 232,729 | 244,038 |
| | <u>1,265,304</u> | <u>1,322,253</u> |

17 OPERATING SEGMENTS

The Group has five strategic divisions, which are reportable segments. These divisions offer different services, and are managed by the Group separately for the purpose of making decisions about resource allocation and performance assessment.

The following summary describes the operations of each reportable segment:

| Reportable segment | Operations |
|-------------------------------------|---|
| Residential and commercial property | Development, trade, and rental of real estates. |
| Investments | Investment activities including shares and bonds. |
| Hotel and suites | Management of hotels, suites, and restaurants. |
| Malls | Management of malls. |

The Group's Management reviews the internal management reports of each division at least quarterly.

The following table presents segment results regarding the Group's operating segments for the six months period:

For the three months ended 31 March 2021(Unreviewed)

| | <i>Residential and commercial property</i> | <i>Investments</i> | <i>Hotel and suites</i> | <i>Malls</i> | <i>Adjustments and eliminations</i> | <i>Total</i> |
|------------------|--|--------------------|-----------------------------|---------------|---|----------------|
| Segment income | 273,935 | 83,864 | 33,166 | 18,352 | (2,649) | 406,668 |
| Segment expenses | (239,960) | (1) | (17,121) | (7,207) | 4,956 | (259,333) |
| Segment profit | <u>33,975</u> | <u>83,863</u> | <u>16,045</u> | <u>11,145</u> | <u>2,307</u> | <u>147,335</u> |

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17 OPERATING SEGMENTS (CONTINUED)

For the three months ended 31 March 2020 (Unreviewed)

| | <i>Residential and commercial property</i> | <i>Investments</i> | <i>Hotel and suites</i> | <i>Malls</i> | <i>Adjustments and eliminations</i> | <i>Total</i> |
|------------------|--|--------------------|-----------------------------|--------------|---|--------------|
| Segment income | 268,158 | 106,692 | 48,566 | 14,177 | (2,822) | 434,771 |
| Segment expenses | (285,323) | - | (18,417) | (6,538) | (6,480) | (316,758) |
| Segment profit | (17,165) | 106,692 | 30,149 | 7,639 | (9,302) | 118,013 |

The following table presents the assets and liabilities of the Group's operating segments as at reporting date:

| | <i>Residential and commercial property</i> | <i>Investments</i> | <i>Hotel and suites</i> | <i>Malls</i> | <i>Adjustments and eliminations</i> | <i>Total</i> |
|---|--|--------------------|-----------------------------|------------------|---|-------------------|
| Segment assets | | | | | | |
| <i>As at 31 March 2021(Unreviewed)</i> | 42,275,037 | 3,246,374 | 4,697,229 | 2,043,125 | (2,539,145) | 49,722,620 |
| <i>As at 31 December 2020 (Audited)</i> | 41,642,895 | 3,366,271 | 4,679,254 | 2,035,747 | (2,326,366) | 49,397,801 |
| <i>As at 31 March 2021(Unreviewed)</i> | 19,268,954 | 732,713 | 146,128 | 39,796 | (2,541,454) | 17,646,137 |
| <i>As at 31 December 2020 (Audited)</i> | 18,670,244 | 833,399 | 144,987 | 43,563 | (2,325,997) | 17,366,196 |

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18 FAIR VALUES AND RISK MANAGEMENT

FINANCIAL INSTRUMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | <i>Carrying amount</i> | | | <i>Fair Values</i> | | | |
|---|----------------------------------|---|-----------------------|--------------------|----------------|----------------|--------------|
| | <i>FVOCI – equity investment</i> | <i>Fair value – Hedging instruments</i> | <i>Amortized cost</i> | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
| <i>As at 31 March 2021 (Unreviewed)</i> | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Equity securities | 2,447,700 | - | - | 2,447,700 | - | - | 2,447,700 |
| Financial assets not measured at fair value | | | | | | | |
| Trade and other receivables | - | - | 173,482 | - | - | - | - |
| Cash and cash equivalents | - | - | 894,923 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | |
| Sukuk and Islamic financing – listed | - | - | 3,557,311 | 3,444,226 | - | - | 3,444,226 |
| Sukuk and Islamic financing – others | - | - | 11,312,715 | - | - | - | - |
| Trade and other payables | - | - | 2,092,819 | - | - | - | - |

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18 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

| | Carrying amount | | | Fair Values | | | |
|---|---------------------------------|--|-------------------|-------------|---------|---------|-----------|
| | FVOCI – Equity investment | Fair value – Hedging instruments | Amortized cost | Level 1 | Level 2 | Level 3 | Total |
| <i>As at 31 December 2020 (Audited)</i> | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Equity investments | 2,549,407 | - | - | 2,549,407 | - | - | 2,549,407 |
| Financial assets not measured at fair value | | | | | | | |
| Trade and other receivables | - | - | 170,001 | - | - | - | - |
| Cash and bank balances | - | - | 650,014 | - | - | - | - |
| Financial liabilities measured at fair value and amortized cost | | | | | | | |
| Sukuk – listed | - | - | 3,515,645 | 3,502,213 | - | - | 3,502,213 |
| Islamic financing – others | - | - | 11,298,826 | - | - | - | - |
| Trade and other payables | - | - | 1,880,827 | - | - | - | - |

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18 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

INVESTMENT PROPERTY

| | <i>Fair Values</i> | | | | <i>Total</i> |
|---|------------------------|----------------|------------------|-------------------|-------------------|
| | <i>Carrying amount</i> | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | |
| <i>As at 31 March 2021 (Unreviewed)</i> | | | | | |
| Completed properties | 41,293,642 | - | - | 41,293,642 | 41,293,642 |
| Vacant land | 1,052,337 | - | 1,052,337 | - | 1,052,337 |
| Projects Under development | 2,410,918 | - | - | 2,410,918 | 2,410,918 |
| | 44,756,897 | - | 1,052,337 | 43,704,560 | 44,756,897 |
| <i>As at 31 December 2020 (Audited)</i> | | | | | |
| Completed properties | 41,279,478 | - | - | 41,279,478 | 41,279,478 |
| Vacant land | 1,052,337 | - | 1,052,337 | - | 1,052,337 |
| Projects Under development | 2,180,770 | - | - | 2,180,770 | 2,180,770 |
| | 44,512,585 | - | 1,052,337 | 43,460,248 | 44,512,585 |

*Fair valuation of investment property is not carried out as at 31 March 2021; categorization into fair value hierarchy levels is based on methods used during valuation at 31 December 2020.

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18 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 31 March 2021 and 31 December 2020 for assets and liabilities measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

| <i>Type</i> | <i>Valuation technique</i> | <i>Significant unobservable inputs</i> | <i>Inter-relationship between significant unobservable inputs and fair value measurement</i> |
|--|---|---|---|
| Investment property – Vacant land and residential State of Qatar/commercial properties in UK | <i>Market comparison technique:</i> The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties. Impact of Covid 19 on fair value of investment properties are mentioned in Note 32. | Not Applicable | Not Applicable |
| Investment property – completed properties and projects under development– State of Qatar | <i>Discounted cash flows:</i> The valuation model considers the present value of expected net cash flows generated from investment property discounted using weighted average cost of the capital of the Group. Impact of Covid 19 on fair value of investment properties are mentioned in Note 32. | <u>Expected net cash flows:</u> (31 March 2021: Not Applicable, 31 December 2020: from positive net cash flows of QR 2,081,459 from year 2021 to 2025 and a terminal value of QR 34,024,283. <u>Weighted average cost of capital:</u> (31 March 2021: Not Applicable, 31 December 2020: 7% to 9%) Terminal growth rate: (31 March 2021: Not Applicable, 31 December 2020: 2.75%) | The estimated fair value would increase (decrease) if: - Expected net cash flows were higher (lower); - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower). |

19 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary in order to conform to the current period presentation in the condensed consolidated interim financial statements. Such reclassification do not affect previously reported net profit or net assets of the Group.

20 IMPACT OF THE CORONAVIRUS “COVID-19”

The coronavirus outbreak (“Covid 19”) at the beginning of 2020 has brought about a deceleration of the economic activity in the State of Qatar and globally. Fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The Group’s business operations and performance remain largely unaffected by the current situation. However, there may be uncertainty over how the future development of the outbreak will impact the Group’s business and customer demand for its product and services. Further, the Group will continue to closely monitor as the situation progresses and has activated its business continuity planning and other risk management practices to manage the potential business operations disruption and financial performance in the future.