

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 2020

CONTENTS	Page(s)
Condensed consolidated interim financial statements:	
Condensed consolidated statement of financial position	1
Condensed consolidated statement of profit or loss	2
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of changes in equity	4 – 5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 - 29

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

In thousands of Qatari Riyals

	Note	30 September 2020 (Unreviewed)	31 December 2019 (Audited)
ASSETS			
Cash and bank balances	5	665,036	59,289
Trade and other receivables	6	151,111	315,188
Inventories		24,647	26,221
Equity investments	7	2,423,622	2,259,524
Equity-accounted investees and joint venture	8	833,832	834,173
Investment properties	9	44,399,379	43,933,362
Property and equipment		742,187	765,979
TOTAL ASSETS		49,239,814	48,193,736
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	10	2,586,077	2,424,557
Sukuk and Islamic financing borrowings	12	14,875,557	14,365,348
TOTAL LIABILITIES		17,461,634	16,789,905
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		1,646,982	1,646,982
Fair value reserves		756,201	591,918
Foreign currency translation reserve		1,406	(247)
Retained earnings		3,127,609	2,919,245
Equity attributable to owners of the Company		32,057,165	31,682,865
Non-controlling interests		(278,985)	(279,034)
TOTAL EQUITY		31,778,180	31,403,831
TOTAL LIABILITIES AND EQUITY		49,239,814	48,193,736

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 14 October 2020.



Abdulla Bin Thani Al-Thani
Vice Chairman



Tamer Fouad Mahmoud
Group Chief Financial Officer

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

	Note	<i>For the nine months ended 30 September</i>	
		<i>2020</i> <i>(Unreviewed)</i>	<i>2019</i> <i>(Unreviewed)</i>
Rental income	13	883,725	956,594
Other operating revenues	13	49,940	80,770
Operating expenses	14	(175,656)	(180,324)
OPERATING PROFIT FROM MAIN OPERATIONS		758,009	857,040
Dividend income from equity investments	7	93,205	122,416
Net gain on sale of equity-accounted investees	15	-	58,185
Share of result of equity-accounted investees and joint venture	8	43,706	53,273
NET OPERATING PROFIT		894,920	1,090,914
Finance costs	12	(580,090)	(545,784)
Other income		7,292	50,685
General and administrative expenses	14	(77,802)	(60,555)
Depreciation of property and equipment		(24,615)	(25,365)
Impairment loss on trade and other receivables – net	6	(11,085)	(651)
PROFIT FOR THE PERIOD		208,620	509,244
<i>Profit attributable to:</i>			
Owners of the Company		208,571	509,190
Non-controlling interests		49	54
		208,620	509,244
BASIC AND DILUTED EARNINGS PER SHARE	16	0.008	0.019

The notes on pages 7 to 29 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 nine months ended 30 September 2020

In thousands of Qatari Riyals

	Note	<i>For the nine months ended 30 September</i>	
		<i>2020</i>	<i>2019</i>
		<i>(Unreviewed)</i>	<i>(Unreviewed)</i>
Profit for the period		208,620	509,244
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Equity investments at FVOCI - net change in fair value	7	164,098	(67,958)
Equity-accounted investees - share of OCI	8	(22)	329
		164,076	(67,629)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Cash flow hedges - effective portion of changes in fair value		-	(56,040)
Foreign operations - foreign currency translation differences		1,653	1,385
		1,653	(54,655)
Other comprehensive income for the period		165,729	(122,284)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		374,349	386,960
<i>Attributable to:</i>			
Owners of the Company		374,300	386,906
Non-controlling interests		49	54
		374,349	386,960

The notes on pages 7 to 29 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 nine months ended 30 September 2020

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 31 December 2019 (Audited)	26,524,967	1,646,982	591,918	(247)	2,919,245	31,682,865	(279,034)	31,403,831
Total comprehensive income for the period								
Profit for the period	-	-	-	-	208,571	208,571	49	208,620
Other comprehensive income for the Period	-	-	164,076	1,653	-	165,729	-	165,729
Total comprehensive income for the period			164,076	1,653	208,571	374,300	49	374,349
Other movement:								
Transfer of reserves on disposal of equity investments	-	-	207	-	(207)	-	-	-
Balance at 30 September 2020 (Unreviewed)	26,524,967	1,646,982	756,201	1,406	3,127,609	32,057,165	(278,985)	31,778,180

The notes on pages 7 to 29 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 nine months ended 30 September 2020

In thousands of Qatari Riyals

	<i>Attributable to owners of the Company</i>					<i>Total</i>	<i>Non-controlling interests</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 31 December 2018 (Audited)	26,524,967	1,616,053	719,779	1,827	2,542,036	31,404,662	(287,988)	31,116,674
Total comprehensive income for the period								
Profit for the period	-	-	-	-	509,190	509,190	54	509,244
Other comprehensive income for the period	-	-	(123,669)	1,385	-	(122,284)	-	(122,284)
Total comprehensive income for the period			(123,669)	1,385	509,190	386,906	54	386,960
Other movement:								
Transfer of reserves on disposal of subsidiaries	-	-	(106,577)	-	106,577	-	-	-
Balance at 30 September 2019 (Unreviewed)	26,524,967	1,616,053	489,533	3,212	3,157,803	31,791,568	(287,934)	31,503,634

- (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 nine months ended 30 September 2020 as the Group will transfer the total required amount by 31 December 2020.

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

	Note	For the nine months ended 30 September	
		2020 (Unreviewed)	2019 (Unreviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		208,620	509,244
<i>Adjustments for:</i>			
Provision / (reversal) for impairment of trade and other receivables	6	11,085	651
Net gain on sale of equity-accounted investees	15	-	(58,185)
Share of result of equity-accounted investees and joint venture	8	(43,706)	(53,273)
Depreciation of property and equipment		24,615	25,374
Gain on sale of property and equipment		(128)	(113)
Reversal of general provision		-	(10,920)
Provision for employees' end of services benefits	14	2,411	2,249
Dividend income from equity investments	7	(93,205)	(122,416)
Finance income		(4,855)	(156)
Finance costs	12	580,090	545,784
Waive-off of payable to a related party		-	(35,400)
		684,927	802,839
<i>Changes in:</i>			
Trade and other receivables		136,227	96,199
Inventories		1,574	830
Trade and other payables		(198,898)	996,432
Cash from operating activities		623,830	1,896,300
Employees' end of service benefits paid		(426)	(19,464)
Net cash flows from operating activities		623,404	1,876,836
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment		139	117
Payments for development of investment property	9	(47,954)	(379,798)
Payments for purchase of equity investment		(864)	-
Proceed from sale of equity investment		864	-
Additions to property and equipment		(836)	(880)
Net movement in restricted bank balances		2,628	(5,911)
Dividends received		137,272	197,855
Profit on Islamic bank accounts received		4,855	156
Net cash flows from / (used in) investing activities		96,104	(188,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Sukuk and Islamic financing borrowings	12	2,284,891	-
Payments for Sukuk and Islamic financing	12	(2,324,101)	(1,603,348)
Movement in transaction cost		(30,671)	24,329
Dividends paid		(46,100)	(30,203)
Net cash flows used in financing activities		(115,981)	(1,609,222)
NET INCREASE IN CASH AND CASH EQUIVALENTS		603,527	79,153
Net foreign exchange differences		4,848	6,447
Cash and cash equivalents as of 1 January		54,086	21,937
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	5	662,461	107,537

The notes on pages 7 to 29 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 nine months ended 30 September 2020

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.

These condensed consolidated interim financial statements comprise the Company and its subsidiaries (collectively referred as the “Group” and individually as the “Group entities”) and the Group’s interests in equity accounted investees.

The principal activity of the Group is management and rentals of real estate properties. The Group is engaged in exerting significant influence and or joint control over other Companies. The Group is also engaged in controlling the subsidiaries by exposing the Company, or having rights, to variable returns from the Company’s involvement with the company and has the ability to affect those returns from the Company’s involvement with the company and has the ability to affect those returns through its power over the Company or more by owning at least 51% of its shares, investment in shares, Sukuk, financial securities and other investments inside and outside the State of Qatar.

The principal subsidiaries of the Group are as follows:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
		<i>30 September 2020</i>	<i>31 December 2019</i>	<i>30 September 2019</i>
1 Ezdan Hotels Company W.L.L.	Qatar	100%	100%	100%
2 Ezdan Mall Company W.L.L.	Qatar	100%	100%	100%
3 Ezdan Real Estate Company W.L.L.	Qatar	100%	100%	100%
4 Ezdan Palace Hotel Company W.L.L.	Qatar	100%	100%	100%
5 Al Ekleem for Real Estate and Mediation Co. W.L.L.	Qatar	100%	100%	100%
6 Al Taybin Trading Company W.L.L.	Qatar	100%	100%	100%
7 Al Namaa for Maintenance Company W.L.L.	Qatar	100%	100%	100%
8 Shatea Al Nile Company W.L.L.	Qatar	100%	100%	100%
9 Arkan for Import and Export Company W.L.L.	Qatar	100%	100%	100%
10 Tareek Al Hak Trading Company W.L.L.	Qatar	100%	100%	100%
11 Een Jaloot Trading Company W.L.L.	Qatar	100%	100%	100%
12 Ezdan World W.L.L.	Qatar	70%	70%	70%
13 Emtedad Real Estate for Projects W.L.L.	Qatar	67.50%	67.50%	67.50%
14 Ezdan International Limited	Jersey	100%	100%	100%
15 Haloul Ezdan For Trading and Construction Company W.L.L.	Qatar	100%	100%	100%
16 Ezdan for Partnership Company W.L.L.	Qatar	100%	100%	100%
17 Ezdan for Cleaning Company W.L.L.	Qatar	100%	100%	100%
18 Ezdan for Landscape Company W.L.L.	Qatar	100%	100%	100%
19 Alraed for Sewerage Company W.L.L.	Qatar	100%	100%	100%
20 Ezdan for Transactions Clearance Company W.L.L.	Qatar	100%	100%	100%

The Parent of the Group is Al-Tadawul Trading Group Q.P.S.C. (“Tadawul”) which aggregately owns directly and indirectly through its subsidiaries, approximately 54% of the share capital of the Group as at 30 September 2020 and 31 December 2019.

The structure of the Group has not changed since the last annual consolidated financial statements as at and for the year ended 31 December 2019 (the “latest annual financial statements”).

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 14 October 2020.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements for the nine months ended 30 September 2020 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 2019 (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.

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.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated financial statements.

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.

The Group has considered potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

Further information about the assumptions made in measuring the fair values is included in Note 19.

Management has carried its equity investments 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 2019 and believes that there will be no significant changes in its fair valuation at the interim reporting date except for impact due to Covid 19 as disclosed in Note 21.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

4 SIGNIFICANT ACCOUNTING POLICIES

A) The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

B) New standards and interpretations effective for annual periods beginning on or after 1 January 2020:

Amendments to IFRS 3	Amendments to clarify the definition of a business
Amendments to IFRS 7	Amendments regarding pre-replacement issues in the context of the IBOR reform
Amendments to IFRS 9	Amendments regarding pre-replacement issues in the context of the IBOR reform
Amendments to IAS 1, IAS 8	Amendments regarding the definition of material
Amendments to References to the Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

Effective for annual periods beginning on or after 1 June 2020

Amendments to IFRS 16	Amendments to Rent Concessions (Covid-19-Related)
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The above standards are not expected to have a significant impact on the Group's condensed consolidated interim financial statements.

C) New and revised standards and interpretations but not yet effective: Effective for annual periods beginning on or after 1 January 2022

- Amendments regarding the classification of liabilities
- Amendments regarding IAS 16 Property, Plant and Equipment — Proceeds before Intended Use
- Annual improvement 2018-2020 Cycle • Reference to the Conceptual Framework (Amendments to IFRS 3)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Original issue regarding IFRS 17 Insurance contracts
- Amendments regarding IFRS 17

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>30 September 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Cash on hand	1,957	292
<i>Cash at banks and other financial institutions</i>		
Saving and call accounts (1)	599,616	10,239
Current accounts	60,888	43,555
Margin accounts	2,575	5,203
<i>Total cash at banks and other financial institutions</i>	663,079	58,997
Cash and bank balances	665,036	59,289
Less: Restricted bank balances (2)	(2,575)	(5,203)
Cash and bank balances	662,461	54,086

(1) This balance includes short-term deposits with banks of QR 586,415.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

5 CASH AND BANK BALANCES (CONTINUED)

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

6 TRADE AND OTHER RECEIVABLES

	<i>30 September 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Tenant receivables – net	44,562	53,769
Receivable from government on expropriation of investment properties	50,366	50,366
Advances to suppliers and contractors	7,751	9,856
Due from related parties (Note 11 (b.i))	669	177,996
Prepaid expenses	6,581	4,237
Refundable deposits – net	11,180	10,899
Accrued income	839	-
Net other receivables and debit balances	<u>29,163</u>	<u>8,065</u>
	<u>151,111</u>	<u>315,188</u>

The maturity of trade and other receivables are as follows:

	<i>30 September 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Current	139,931	304,289
Non-current	11,180	10,899
	<u>151,111</u>	<u>315,188</u>

The movements in the provision for impairment of trade and other receivables were as follows:

	<i>30 September 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	101,142	125,686
Provision made during the period / year	15,046	10,599
Provision written off	(45)	(27,736)
Adjustment on disposal of subsidiaries	-	(504)
Provision reversed (Note 11 (a))	(3,961)	(6,903)
	<u>112,182</u>	<u>101,142</u>

The allowance for impairment consists of:

	<i>30 September 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Tenants receivables	102,795	93,194
Refundable deposits	1,627	1,627
Advances to suppliers and contractors	1,439	-
Other receivables	6,321	6,321
	<u>112,182</u>	<u>101,142</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

7 EQUITY INVESTMENTS

	<i>30 September</i> 2020 <i>(Unreviewed)</i>	<i>31 December</i> 2019 <i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	2,259,524	3,316,717
Addition	864	-
Disposals as part of disposal of subsidiaries (Note 15)	-	(1,046,230)
Other disposals	(864)	(13)
Net change in fair value	164,098	(10,950)
	<u>2,423,622</u>	<u>2,259,524</u>

(1) The quoted shares are the Group's equity investments that are carried at FVOCI. The pledges on these equity investments are disclosed in Note 12.

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.

Quoted shares: concentration of investment portfolio (continued)

The industry concentration of the investment portfolio is as follows:

	<i>30 September</i> 2020 <i>(Unreviewed)</i>	<i>31 December</i> 2019 <i>(Audited)</i>
<i>Quoted shares listed at Qatar Stock Exchange (QSE)</i>		
Banks and financial institutions	2,352,753	2,189,815
Consumer goods and services	36,429	34,489
Transportation	17,817	19,238
Industries	16,195	14,727
Telecommunication	9	575
Real estate	419	680
	<u>2,423,622</u>	<u>2,259,524</u>

The Group generated dividend income from the equity investments amounting to QR 93,205 (nine-months period ended 30 September 2019: QR 122,416) during the period.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

8 EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE

	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>30</i>	<i>31 December</i>
		<i>30 September 2020</i>	<i>31 December 2019</i>	<i>30 September 2020</i>	<i>31 December 2019</i>
		<i>(Unreviewed)</i>	<i>(Audited)</i>	<i>(Unreviewed)</i>	<i>(Audited)</i>
<i>Associates:</i>					
Qatar International Islamic Bank Q.P.S.C. (Note 11 (c.i))	Qatar	6.04%	6.04%	562,607	562,439
Medicare Group Q.P.S.C.	Qatar	2.00%	2.00%	39,563	40,395
Qatar Islamic Insurance Company Q.P.S.C.	Qatar	4.92%	4.92%	49,363	48,788
Total of associates				651,533	651,622
<i>Joint venture:</i>					
White Square Real Estate W.L.L.	Qatar	32.50%	32.50%	182,299	182,551
				833,832	834,173

The Group recognized its share on the operating results of its associates / joint venture amounting to QR 43,706 (nine-month period ended 30 September 2019: QR 53,273) during the period.

The total fair market value of the equity-accounted investees amounted to QR 855,501 (31 December 2019: QR 981,278) as at reporting date.

The Group has the its ability to exercise significant influence through its nominated members in Board of Directors of the equity-accounted investees; hence, these are still classified as equity accounted investees and equity method has been applied.

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>30 September 2020</i>	<i>31 December 2019</i>
	<i>(Unreviewed)</i>	<i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	834,173	1,425,613
Dividends received	(44,067)	(75,439)
Share of results	43,706	57,127
Share of net movement in other comprehensive income	(22)	511
Share of net movement in translation reserve	42	(9)
Disposals during the period (Note 15)	-	(573,630)
	833,832	834,173

9 INVESTMENT PROPERTIES

The movements in the investment properties during the period / year are as follows:

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	43,933,362	43,863,571
Loss from change in fair value of investment property	-	(100,014)
Development costs during the period/ year (Note 11 (a))	452,486	100,871
Acquisition of vacant land	-	50,959
Capitalized finance cost on investment properties under development (Note 11 (a))	16,767	14,420
Foreign exchange adjustment	(3,236)	3,555
	44,399,379	43,933,362

Investment properties consists of:

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Audited)</i>
Completed properties	41,174,840	41,130,122
Vacant land	1,052,580	1,052,580
Projects under development	2,171,959	1,750,660
	44,399,379	43,933,362

Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 31 December 2019. The valuer is an accredited independent valuer with a recognised and relevant professional qualification 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 30 September 2020. In addition to that refer to Note 21 (i) to the condensed consolidated interim financial statements, which describes the uncertainty involved in the valuation of investment properties as of the reporting date due to the impact of Covid-19.

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

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

(1) During 2018, the government agreed to pay an amount of QR 50,366 against the expropriated property, which is still receivable from the government (Note 6).

EZDAN HOLDING GROUP Q.P.S.C.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

10 TRADE AND OTHER PAYABLES

	<i>30 September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Due to a related party (Note 11 (b.ii))	1,560,028	1,306,535
Dividend payables	670,942	717,042
Tenants' deposits	142,890	140,696
Payables to contractors and suppliers	48,526	52,336
Unearned rent income	62,936	48,981
Retention payable	25,935	25,935
Accrued expenses	22,049	29,280
Derivative financial liabilities	-	35,984
Provision for Social and Sports Activities Fund	-	7,732
Provision for employees' end of service benefits	6,521	7,175
Other payables	46,250	52,861
	<u>2,586,077</u>	<u>2,424,557</u>

The maturity of payables and other liabilities are as follows:

	<i>30</i> <i>September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Non-current	32,456	33,110
Current	2,553,621	2,391,447
	<u>2,586,077</u>	<u>2,424,557</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

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 nine months ended 30 September</i>	
	<i>2020</i> <i>(Unreviewed)</i>	<i>2019</i> <i>(Unreviewed)</i>
<u>Transactions with entities under common control:</u>		
Development costs of investment property (1)	445,255	87,016
Capitalized finance costs	14,570	9,582
Reversal of provision on receivables	-	6,198
<u>Transactions with associates:</u>		
Expensed-out finance costs (2)	78,254	77,595
<u>Transactions with key management personnel:</u>		
Compensation of directors and other key management personnel	2,589	3,901
<u>Transactions with subsidiaries:</u>		
Rental income	1,502	2,253
Provision against receivables transferred on disposal of subsidiaries	-	503
<u>Transactions with other related party:</u>		
Profit on disposal of subsidiaries and associates to a related party (Note 15)	-	58,185
Land acquired during the period	-	50,960
Other income	-	35,400
Financing received	28,255	833,300

(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) These relate to Islamic finance borrowings from equity-accounted investee.

(b.i) Due from related parties

	<i>Note</i>	<i>30 September</i>	<i>31 December</i>
		<i>2020</i> <i>(Unreviewed)</i>	<i>2019</i> <i>(Audited)</i>
<u>Entities under common control:</u>			
SAK Holding W.L.L. (1)		-	176,172
The Curve Hotel Company W.L.L.		406	1,561
White Square Real Estate Company W.L.L.		263	263
	6	669	177,996

(1) This amount represents the remaining balance due from SAK Holding Group W.L.L. in relation to the settlement agreement with the Group.

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

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

11 RELATED PARTIES DISCLOSURES (CONTINUED)

(b.ii) Due to a related party

	<i>30 September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
<i>Entity under common control:</i>		
Due to SAK Holding Group W.L.L. (1)	225,238	-
Other related party	1,334,790	1,306,535
9	<u>1,560,028</u>	<u>1,306,535</u>

(1) This amount represents the remaining balance due to SAK Holding Group W.L.L. in relation to the settlement agreement with the Group.

(c.i) Other related party payables

	<i>30 September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
<i>Equity accounted investee (QIIB):</i>		
Secured Islamic financing borrowings from QIIB (Note 12)	1,995,964	1,942,217
Trade payables to QISI	4,936	4,697

(d) Compensation of directors and other key management personnel

The remuneration of directors and other key management personnel during the period is as follows (Note 11 (a)):

	<i>For the nine months ended 30</i> <i>September</i>	
	<i>2020</i> <i>(Unreviewed)</i>	<i>2019</i> <i>(Unreviewed)</i>
Key management and executive benefits	2,589	3,901
	<u>2,589</u>	<u>3,901</u>

12 SUKUK AND ISLAMIC FINANCING BORROWINGS

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

	<i>30 September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	14,390,355	15,479,319
Additions	2,284,891	-
Finance costs	580,090	898,637
Repayments	(2,324,101)	(1,987,601)
	<u>14,931,235</u>	<u>14,390,355</u>
Less: transaction costs	(55,678)	(25,007)
	<u>14,875,557</u>	<u>14,365,348</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

12 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)

The maturity of these borrowings are as follows:

	<i>30 September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Non-current	12,738,231	11,921,895
Current	2,137,326	2,443,453
	<u>14,875,557</u>	<u>14,365,348</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>Year of maturity</i>	<i>30</i> <i>September</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Ijara	QR	Secured	QMRL rate	2023 – 2035	4,353,699	4,147,928
Ijara	USD	Secured	1M /3M LIBOR	2020	-	285,852
Murabaha	QR	Secured	QMRL rate	2020 – 2032	6,665,332	4,515,172
Murabaha	USD	Secured	1Y/3 M LIBOR	2024	355,533	1,776,679
Sukuk financing	USD	Unsecured	4.375 % and 4.875 %	2021 – 2022	3,556,671	3,664,724
					<u>14,931,235</u>	<u>14,390,355</u>

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 580,090 within the condensed consolidated statement of profit or loss (nine-month period ended 30 September 2019: QR 545,784) during the period.

During the nine months period ended 30 September 2020, the Group obtained Islamic financing from local banks amounted QR 2,284,891. The major purpose of the borrowing was to settle existing borrowings amounting to QR 1,951,736.

The Group borrowings are secured against mortgages on different types of investment properties owned by the Group with a carrying value of QR 19,768,471 (31 December 2019: QR 15,452,980) and mortgage against quoted shares included in the interim condensed consolidated financial statements within equity investments with carrying value of Nil as at 30 September 2020 (31 December 2019: QR 539,826).

As part of a Sharia's approved programme to issue QAR 7,283,000 (USD 2,000,000) Sukuks through a special purpose entity ("Ezdan Sukuk Company Ltd."), two tranches of Sukuks of QR 1,820,750 (USD 500,000) each were issued on behalf of the Group with total issuance cost of QR 10,086 and QR 9,959, respectively. The Sukuks were issued at an annual fixed profit rate of 4.375% and 4.875% paid semi-annually with a tenor of five years maturing in May 2021 and April 2022. The Sukuks are listed on the Irish Stock Exchange. During 2020, the group has buy back Sukuk amounting to QR 152,943 (USD 42,000) as QR 61,906 for first tranche and QR 91,038 for second tranche.

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 nine months ended 30 September 2020</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>	
<i>(Unreviewed)</i>					
Rental income (under IFRS 16)	775,678	-	91,623	16,424	883,725
Revenue under IFRS 15					
<i>Major service lines</i>					
Food and beverage	-	-	8,006	-	8,006
Health club	-	-	1,221	-	1,221
Internet	-	-	1,092	-	1,092
Laundry	-	-	374	-	374
Entertainment	-	-	-	77	77
Provision of utilities services	17,972	-	-	-	17,972
Common area charges	-	-	-	9,338	9,338
Marketing services	-	-	-	5,215	5,215
Others	4,992	-	273	1,380	6,645
Revenue under IFRS 15	22,964	-	10,966	16,010	49,940
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	-	43,706	-	-	43,706
Other income	7,193	89	7	4	7,293
	7,193	137,000	7	4	144,204
External revenue as reported in Note 18	805,835	137,000	102,596	32,438	1,077,869

13 RENTAL INCOME AND OTHER OPERATING REVENUES (CONTINUED)**Disaggregation of revenue (continued)****A. Disaggregation of revenue based on major revenue streams (continued):**

<i>For the nine months ended 30 September 2019 (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)	784,032	-	126,071	46,491	956,594
Revenue under IFRS 15					
<i>Major service lines</i>					
Food and beverage	-	-	19,475	-	19,475
Health club	-	-	2,968	-	2,968
Internet	-	-	1,401	-	1,401
Laundry	-	-	720	-	720
Entertainment	-	-	-	314	314
Provision of utilities services	30,768	-	-	-	30,768
Common area charges	-	-	-	14,160	14,160
Marketing services	-	-	-	2,966	2,966
Others	6,359	-	506	1,133	7,998
Revenue under IFRS 15	37,127	-	25,070	18,573	80,770
Income from investments and other income					
Dividend income from equity accounted investees	-	122,416	-	-	122,416
Share of result of equity-accounted investees and joint venture	-	53,273	-	-	53,273
Net gain on sale of equity-accounted investees	-	58,185	-	-	58,185
Other income	49,730	955	-	-	50,685
Reversal of provision on trade and other receivables - net	(542)	-	(109)	-	(651)
	49,188	234,829	(109)	-	283,908
External revenue as reported in Note 18	870,347	234,829	151,032	65,064	1,321,272

13 RENTAL INCOME AND OTHER OPERATING REVENUES (CONTINUED)**Disaggregation of revenue (continued)*****B. Disaggregation of revenue under IFRS 15 based on timing of revenue recognition:***

	<i>For the nine months ended 30 September</i>		Timing of revenue recognition
	2020 <i>(Unreviewed)</i>	2019 <i>(Unreviewed)</i>	
Food and beverage	8,006	19,475	Point in time
Health club	1,221	2,968	Over the time
Internet	1,092	1,401	Over the time
Laundry	374	720	Point in time
Entertainment	77	314	Over the time
Provision of utilities services	17,972	30,768	Over the time
Common area charges	9,338	14,160	Over the time
Marketing services	5,215	2,966	Over the time
Others	6,645	7,998	Over the time
Revenue under IFRS 15	49,940	80,770	

14 EXPENSES*Operating expenses:*

	<i>For the nine months ended 30 September</i>	
	2020 <i>(Unreviewed)</i>	2019 <i>(Unreviewed)</i>
Staff cost (1)	36,400	36,987
Utilities	62,278	55,033
Repairs and maintenance	28,864	33,193
Sewage	17,261	17,285
Cleaning expenses	5,644	8,396
Security expenses	7,054	8,170
Food and beverages	2,960	5,938
Advertising costs	894	1,149
Laundry and dry cleaning	2,615	3,479
Fuel	351	479
Commissions	1,312	1,260
Other operating expenses	10,023	8,955
	175,656	180,324

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

14 EXPENSES (CONTINUED)

General and administrative expenses:

	<i>For the nine months ended 30 September</i>	
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Unreviewed)</i>
Staff cost and board allowances (1)	21,329	24,555
Professional fees	10,339	6,148
Registration fees	6,300	6,292
Bank charges	4,440	2,879
Advertising costs	291	335
Insurance cost	2,903	2,835
Rent expense	-	1,319
Communication	1,471	1,637
Printing and stationery	407	512
Other expenses	8,435	4,009
Foreign exchange loss	21,887	10,034
	77,802	60,555

(1) Staff cost includes a provision for employees' end of service benefits of QR 2,411 (nine-month period ended 30 September 2019: QR 2,249) during the period.

15 DISPOSALS OF SUBSIDIARIES / EQUITY ACCOUNTED INVESTEEES

The Group entered into an agreement with SAK Holding Group W.L.L. on 7 April and 8 April 2019 to dispose of the following subsidiaries. Sale proceeds from the transaction were settled against the balance payable to SAK Holding Group W.L.L. and constitutes a non-cash transaction.

The final addendum to sale agreement mentioning the sale price is under authentication as of the review conclusion date and the sale price shown below is based on draft addendum.

Gain on disposal of subsidiaries / associates is computed as follows:

	<i>Sale Price</i>	<i>Net Assets</i>	<i>Gain / (Loss)</i>
Alkora Alzahbya Company W.L.L.	459,258	(433,960)	25,298
Al Ruba Al Khali Trading Company W.L.L.	453,115	(457,499)	(4,384)
Manazel Trading Company W.L.L.	404,660	(378,945)	25,715
Tareek Al-Khair Trading Company W.L.L.	374,382	(362,826)	11,556
	1,691,415	(1,633,230)	58,185

In the consolidated financial statements of the Group, some of the equity investments held by the subsidiaries are classified as associates due to existence of significant influence. The whole of gain on disposal of QR 58,185 pertains to the partial disposal of these equity accounted investees. Carrying amount of these equity accounted investees disposed of amounted to QR 573,630. For the subsidiaries, net assets comprise of FVOCI equity investments, which are carried at fair value, and the sale price determined is also fair value of these assets, accordingly there is no gain on disposal of subsidiaries.

On disposal, the Group transferred fair value reserves relating to FVOCI equity investments QR 106,577 to retained earnings during the period ended 30 September 2019.

The disposal was not treated as discontinued operations as it does not represent a separate line of business or geographical area of operations. The above subsidiaries did not constitute a business, as they were for the purpose of investing activities only.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

16 BASIC AND DILUTED 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 nine months ended</i>	
	<i>30 September</i>	
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Unreviewed)</i>
Profit for the period attributable to owners of the Company	<u>208,571</u>	<u>509,190</u>
Weighted average number of shares outstanding during the period (thousands of shares)	<u>26,524,967</u>	<u>26,524,967</u>
Basic and diluted earnings per share	<u>0.008</u>	<u>0.019</u>

17 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>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Audited)</i>
Bank guarantees (1)	<u>5,555</u>	<u>8,183</u>

(1) The Group anticipates that no material liabilities will arise from the above guarantees which are issued in the ordinary course of the business.

Commitments

(i) Capital expenditure commitments:

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

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Audited)</i>
Contractual commitments to contractors and suppliers for development of investment property projects	<u>1,149,814</u>	<u>1,520,442</u>

(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 nine months period is disclosed in Note 13 as "Rental income".

17 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)**Commitments (continued)****(ii) Operating lease commitments (continued)***Group as a lessor (continued)*

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

	30 September 2020 (Unreviewed)	<i>31 December 2019 (Audited)</i>
No later than one year	630,237	635,305
Later than one year and no later than five years	321,862	308,659
More than five years	251,951	257,608
	<u>1,204,050</u>	<u>1,201,572</u>

18 OPERATING SEGMENTS

The Group has four 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 Chief Executive Officer 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 nine months period:

<i>For the nine months ended 30 September 2020 (Unreviewed)</i>	<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	809,216	137,000	107,067	32,438	(7,852)	1,077,869
Segment expenses	<u>(805,075)</u>	<u>(2)</u>	<u>(54,115)</u>	<u>(12,452)</u>	<u>2,395</u>	<u>(869,249)</u>
Segment profit	<u>4,141</u>	<u>136,998</u>	<u>52,952</u>	<u>19,986</u>	<u>(5,457)</u>	<u>208,620</u>
	<hr/>					
<i>For the nine months ended 30 September 2019 (Unreviewed)</i>	<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	875,026	234,829	151,032	65,064	(4,679)	1,321,272
Segment expenses	<u>(724,102)</u>	<u>(11)</u>	<u>(62,422)</u>	<u>(23,693)</u>	<u>(1,800)</u>	<u>(812,028)</u>
Segment profit	<u>150,924</u>	<u>234,818</u>	<u>88,610</u>	<u>41,371</u>	<u>(6,479)</u>	<u>509,244</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

18 OPERATING SEGMENTS (CONTINUED)

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

Segment assets	<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>
<i>As at 30 September 2020 (Unreviewed)</i>	<u>41,476,926</u>	<u>3,257,664</u>	<u>5,219,230</u>	<u>2,446,097</u>	<u>(3,160,103)</u>	<u>49,239,814</u>
<i>As at 31 December 2019 (Audited)</i>	<u>39,785,440</u>	<u>3,093,770</u>	<u>5,177,439</u>	<u>2,431,740</u>	<u>(2,294,653)</u>	<u>48,193,736</u>
Segment liabilities						
<i>As at 30 September 2020 (Unreviewed)</i>	<u>19,608,267</u>	<u>833,117</u>	<u>131,109</u>	<u>42,313</u>	<u>(3,153,172)</u>	<u>17,461,634</u>
<i>As at 31 December 2019 (Audited)</i>	<u>17,934,973</u>	<u>969,444</u>	<u>133,272</u>	<u>46,869</u>	<u>(2,294,653)</u>	<u>16,789,905</u>

19 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>Total</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>As at 30 September 2020 (Unreviewed)</i>							
Financial assets measured at fair value							
Equity securities	2,423,622	-	-	2,423,622	-	-	2,423,622
Financial assets not measured at fair value							
Trade and other receivables	-	-	135,940	-	-	-	-
Cash and cash equivalents	-	-	663,079	-	-	-	-
Financial liabilities not measured at fair value							
Sukuk and Islamic financing borrowings – listed	-	-	3,551,717	3,145,876	-	-	3,145,876
Sukuk and Islamic financing borrowings – others	-	-	11,323,840	-	-	-	-
Trade and other payables	-	-	2,494,571	-	-	-	-

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

19 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

	Carrying amount			Fair Values			
	<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 December 2019 (Audited)</i>							
Financial assets measured at fair value							
Equity securities	2,259,524	-	-	2,259,524	-	-	2,259,524
Financial assets not measured at fair value							
Trade and other receivables	-	-	301,095	-	-	-	-
Cash and cash equivalents	-	-	58,997	-	-	-	-
Financial liabilities measured at fair value							
Derivative	-	35,984	-	-	35,984	-	35,984
Financial liabilities not measured at fair value							
Sukuk and Islamic financing borrowings – listed	-	-	3,654,398	3,269,703	-	-	3,269,703
Sukuk and Islamic financing borrowings – others	-	-	10,710,950	-	-	-	-
Trade and other payables	-	-	2,295,405	-	-	-	-

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

In thousands of Qatari Riyals

19 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

INVESTMENT PROPERTIES

	<i>Carrying amount</i>	<i>Fair Values*</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>As at 30 September 2020 (Unreviewed)</i>					
Completed properties	41,174,840	-	-	41,174,840	41,174,840
Vacant land	1,052,580	-	1,052,580	-	1,052,580
Projects Under development	2,171,959	-	-	2,171,959	2,171,959
	<u>44,399,379</u>	<u>-</u>	<u>1,052,580</u>	<u>43,346,799</u>	<u>44,399,379</u>
<i>As at 31 December 2019 (Audited)</i>					
Completed properties	41,130,122	-	-	41,130,122	41,130,122
Vacant land	1,052,580	-	1,052,580	-	1,052,580
Projects Under development	1,750,660	-	-	1,750,660	1,750,660
	<u>43,933,362</u>	<u>-</u>	<u>1,052,580</u>	<u>42,880,782</u>	<u>43,933,362</u>

*Fair valuation of investment property is not carried out as at 30 September 2020; categorization into fair value hierarchy levels is based on methods used during valuation at 31 December 2019.

There are no transfers between level 2 and level 3 during the period.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

19 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 30 September 2020 and 31 December 2019 for assets and liabilities measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.

<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 / 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 etc.	Not Applicable	Not Applicable
Investment property – completed properties and projects under development	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows generated from investment property discounted using weighted average cost of the capital of the Group.	<p><u>Expected cash flows:</u> (30 September 2020: Not Applicable, 31 December 2019: from positive cash flows of QR 585,974 to positive net cash flows of QR 2,152,129 from year 2020 to 2024 and a terminal value of QR 34,591,129)</p> <p><u>Weighted average cost of capital:</u> (30 September 2020: Not Applicable, 31 December 2019: 7%)</p> <p><u>Terminal growth rate:</u> (30 September 2020: Not Applicable, 31 December 2019: 2.80%)</p> <p>The Group has not valued its investment property at 30 September 2020.</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - Expected cash flows were higher (lower), - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower)

20 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.

21 COVID 19 Impact:

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.

During the nine-month period ended 30 September 2020, the Group has provided rent concession to its directly affected tenants mainly in Ezdan Malls considering the impact on their operations. In addition to that lender plans as well. 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 any associate risk that may arise impacting business operations and financial performance in 2020.

In light of the rapidly escalating situation, the Group has considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the condensed interim consolidated financial statements. The Group’s business operations remain largely unaffected by the current situation. Below are the key assumptions about the future and other sources of estimation uncertainties:

(i) Fair value of investment properties

The general risk environment in which the Group operates has heightened during the period, which is largely due to the continued level of overall uncertainty of the future impact Covid 19 worldwide. This environment could have a significant impact upon property valuations. The Group’s investment properties were valued by professionally qualified individuals employed by the Group (Internal valuer) as at the reporting date.

The outbreak of Covid 19 has resulted in the real estate market experiencing significantly lower levels of transactional activities and liquidity in the State of Qatar and globally. As at the reporting date, there was a shortage of market evidence for comparison purpose therefore, less weight has been given to recent market evidence while carrying out the valuations. The current response to Covid 19 means that the valuer is faced with an unprecedented set of circumstances on which to base a judgment. The valuation across all investment properties are therefore, reported on the basis of “material valuation uncertainty”. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. Moreover, valuation methodology used for investment properties at the reporting date remains the same as used at 31 December 2019.

(ii) Expected credit losses

The uncertainties caused by Covid 19 has required the Group to update the inputs and assumptions used for the determination of expected credit losses (“ECLs”) as at 30 September 2020. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

(iii) Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group’s future performance, capital and liquidity. The impact of Covid 19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, these interim condensed consolidated financial statements have been appropriately prepared on a going concern basis.

Further, the Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments (Notes 17).