

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

30 September 2023

EZDAN HOLDING GROUP Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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EZDAN HOLDING GROUP Q.P.S.C.**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	30 September 2023	31 December 2022
		<i>(Un-reviewed)</i>	<i>(Audited)</i>
ASSETS			
Cash and bank balances	5	447,687	463,098
Trade and other receivables	6	111,985	138,853
Inventories		14,289	15,599
Investment properties	9	45,792,069	45,702,277
Property and equipment	10	675,487	687,920
TOTAL ASSETS		47,041,517	47,007,747
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	11	2,530,812	2,597,090
Islamic financings	13	11,057,677	11,176,547
TOTAL LIABILITIES		13,588,489	13,773,637
EQUITY			
Share capital	14	26,524,967	26,524,967
Legal reserve		1,696,560	1,696,560
Foreign currency translation reserve		3,505	4,256
Retained earnings		5,403,371	5,183,699
Equity attributable to owners of the Company		33,628,403	33,409,482
Non-controlling interests		(175,375)	(175,372)
TOTAL EQUITY		33,453,028	33,234,110
TOTAL LIABILITIES AND EQUITY		47,041,517	47,007,747

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on 26 October 2023.



Sheikh Thani Bin Abdulla Al-Thani
Chairman



Tamer Fouad Mahmoud
Group Chief Financial Officer

The accompanying notes from 1 to 23 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	<i>For the nine-month period ended 30 September</i>	
		<i>2023</i>	<i>2022</i>
		<i>(Un- reviewed)</i>	<i>(Un- reviewed)</i>
Rental income	15	1,352,220	1,176,333
Other operating revenues	15	68,365	76,832
Operating expenses	16	(277,996)	(254,191)
OPERATING PROFIT FROM MAIN OPERATIONS		1,142,589	998,974
Dividend income from equity investments	7	-	86,830
Gain on sale of equity-accounted investees and joint venture		-	576,479
Share of result of equity-accounted investees and joint venture	8	-	(18,411)
NET OPERATING PROFIT		1,142,589	1,643,872
Loss from change in fair value of investment properties		-	(640,809)
Finance costs	18	(845,368)	(562,013)
Other income	15	21,526	6,341
General and administrative expenses	16	(80,434)	(65,182)
Depreciation of property and equipment		(15,842)	(18,262)
Provision of impairment loss of trade and other receivables – net	6	(4,388)	(3,802)
Gain / (loss) from foreign currency exchange - net		1,586	(40,495)
PROFIT FOR THE PERIOD		219,669	319,650
<i>Profit attributable to:</i>			
Owners of the Company		219,672	321,024
Non-controlling interests		(3)	(1,374)
		219,669	319,650
BASIC AND DILUTED EARNINGS PER SHARE	17	0.008	0.012

The accompanying notes from 1 to 23 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-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	<i>For the nine-month period ended 30 September</i>	
		<i>2023</i> <i>(Un-reviewed)</i>	<i>2022</i> <i>(Un-reviewed)</i>
Profit for the period		219,669	319,650
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	-	830,089
Equity-accounted investees - share of OCI	8	-	286
		-	830,375
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Foreign operations - foreign currency translation differences		(751)	11,216
Total other comprehensive (loss) / income for the period		(751)	11,216
Other comprehensive (loss) / income for the period		(751)	841,591
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		218,918	1,161,241
<i>Attributable to:</i>			
Owners of the Company		218,921	1,162,615
Non-controlling interests		(3)	(1,374)
		218,918	1,161,241

The accompanying notes from 1 to 23 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-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	<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>Foreign currency translation reserve</i>	<i>Retained earnings</i>			
Balance at 31 December 2022 (Audited)	26,524,967	1,696,560	4,256	5,183,699	33,409,482	(175,372)	33,234,110
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	219,672	219,672	(3)	219,669
Other comprehensive loss for the period	-	-	(751)	-	(751)	-	(751)
Total comprehensive income for the period	-	-	(751)	219,672	218,921	(3)	218,918
Balance at 30 September 2023 (Un-reviewed)	26,524,967	1,696,560	3,505	5,403,371	33,628,403	(175,375)	33,453,028

(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 six-month period ended 30 September 2023 as the Group will transfer the total required amount by 31 December 2023.

The accompanying notes from 1 to 23 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-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	<i>Attributable to owners of the Company</i>						<i>Non-controlling interest</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Legal reserve (1)</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Retained earnings</i>	<i>Total</i>		
Balance at 31 December 2021 (Audited)	26,524,967	1,687,887	1,002,558	(1,546)	3,279,146	32,493,012	(279,034)	32,213,978
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	321,024	321,024	(1,374)	319,650
Other comprehensive income for the period	-	-	830,375	11,216	-	841,591	-	841,591
Total comprehensive income for the period	-	-	830,375	11,216	321,024	1,162,615	(1,374)	1,161,241
Realization of fair value reserve on disposal of FVOCI (Note 16)	-	-	(1,828,662)	-	1,828,662	-	-	-
Gain on sale of equity-accounted investees	-	-	(4,271)	(944)	-	(5,215)	-	(5,215)
Movement on non- controlling interest	-	-	-	-	-	-	105,040	105,040
Balance at 30 September 2022 (Un-reviewed)	<u>26,524,967</u>	<u>1,687,887</u>	<u>-</u>	<u>8,726</u>	<u>5,428,832</u>	<u>33,650,412</u>	<u>(175,368)</u>	<u>33,475,044</u>

The accompanying notes from 1 to 23 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	<i>For the nine-month period ended 30 September</i>	
		<i>2023</i> <i>(Un-reviewed)</i>	<i>2022</i> <i>(Un-reviewed)</i>
OPERATING ACTIVITIES			
Profit for the period		219,669	319,650
<i>Adjustments for:</i>			
Provision of impairment loss of trade and other receivables – net	6	4,388	3,802
Dividend income from equity investments	7	-	(86,830)
Share of result of equity-accounted investees and joint venture	8	-	18,411
Depreciation of property and equipment	10	15,842	18,262
Provision for employees' end of services' benefits	16	3,673	4,591
Gain sale of equity-accounted investees and joint venture		-	(576,479)
Finance costs	18	845,368	562,013
Loss on revaluation of investment property		-	640,809
Finance income		(11,818)	(4,745)
Operating profit before changes in working capital		1,077,122	899,484
<i>Working capital changes:</i>			
Trade and other receivables		22,485	(58,840)
Inventories		1,310	(1,468)
Trade and other payables		(23,769)	40,940
Cash from operating activities		1,077,148	880,116
Employees' end of service benefits paid	11	(730)	(1,295)
Net cash from operating activities		1,076,418	878,821
INVESTING ACTIVITIES			
Payments for development of investment property	9	(86,166)	(94,324)
Proceed from sale of investment in joint venture		-	45,000
Additions to property and equipment	10	(3,411)	(5,088)
Net movement in restricted bank balances		(182)	2,056
Dividends received		-	125,451
Profit on Islamic bank accounts received		11,818	4,745
Net cash (used in) / generated from investing activities		(77,941)	77,840
FINANCING ACTIVITIES			
Proceeds from borrowing from other related party	12	-	824,239
Repayments of borrowings from other related party	12	(153,280)	(76,662)
Repayments for Sukuk Islamic financings	13	(813,079)	(2,448,720)
Movement in transaction costs		(1,666)	2,299
Dividends paid related to dividend payable		(44,100)	(44,100)
Net cash used in financing activities		(1,012,125)	(1,742,944)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		(1,945)	32,152
Cash and cash equivalents as of 1 January	5	460,111	1,083,573
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	5	444,518	329,442
Development costs of investment property (Note 11)		-	1,781,723
Capitalized finance costs on investment property under development (Note 18).			
Related party transactions relating to acquisition of investment properties, offsetting of liabilities, etc. (Note 12.a).			

The accompanying notes from 1 to 23 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

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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 (together referred to as “Group”).

The principal activity of the Group is management and rental 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 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 subsidiaries</i>	<i>Principal activity</i>	<i>Effective percentage of ownership</i>		
		<i>30 Sep 2023</i>	<i>31 Dec 2022</i>	<i>30 Sep 2022</i>
1 Ezdan Hotels Company W.L.L.	Hotel services	100%	100%	100%
2 Ezdan Mall Company W.L.L.	Malls management	100%	100%	100%
3 Ezdan Real Estate Company W.L.L.	Real estate services	100%	100%	100%
4 Ezdan Palace Hotel Company W.L.L.	Hotel services	100%	100%	100%
5 Haloul Ezdan For Trading and Construction Co W.L.L.	Maintenance works	100%	100%	100%
6 Ezdan International Limited	Property management	100%	100%	100%
7 Ezdan World W.L.L.	Entertainment services	70 %	70%	70.0%
8 Emtedad Real Estate for Projects W.L.L.	Real estate development	67.5%	67.5%	67.5%

During the year 2022, the Group’s management decided to dispose subsidiaries as in - kind payment consideration for acquiring the share of SAK Holding Group W.L.L., an entity under common control, in the completed investment property (Notes 9 and 22).

The Parent of the Group is Al-Tadawul Trading Group Q.P.S.C. (“Tadawul”) which owns directly 54% (approximately) of the share capital of the Group as at 30 September 2023 (31 December 2022: 54%).

All of the subsidiaries enumerated above were incorporated in the State of Qatar except for Ezdan International Limited which is incorporated in United Kingdom.

2. BASIS OF ACCOUNTING

These condensed consolidated interim financial statements for the nine-month period ended 30 September 2023 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 2022 (the “last annual consolidated 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 interim financial position and interim performance since the last annual consolidated financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Group’s Board of Directors on 26 October 2023.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

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 expenses. 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.

Measurement of fair values (continued)

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 21.

The Group engaged independent external valuers to determine the fair value of its investment properties. The Group's management believes that the fair values of investment properties as at 30 September 2023 and 31 December 2022 are approximately the same after considering the impact of additions and foreign exchange adjustments totalling to QR 89,792 during the period.

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.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those that were applied in the last annual consolidated financial statements of the Group as at and for the year ended 31 December 2022.

Newly effective standard and amendments to standards

During the current period, the below new and amended to International Financial Reporting Standards (“IFRSs” or “standards”) became effective for the first time for financial years beginning on 1 January 2023:

<i>Effective for year beginning 1 January 2023</i>	<ul style="list-style-type: none">• <i>IFRS 17 Insurance Contracts</i>• <i>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</i>• <i>Definition of Accounting Estimates (Amendments to IAS 8)</i>• <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</i>
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The adoption of the above new and amendments to standards had no significant impact on the Group’s condensed consolidated interim financial statements.

Amendments to standards not yet effective, but available for early adoption

The below amended IFRSs or standards that are available for early adoption for financial years beginning after 1 January 2023 are not effective until a later period, and they have not been applied in preparing these condensed consolidated interim financial statements.

<i>Effective for year beginning 1 January 2024</i>	<ul style="list-style-type: none">• <i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i>• <i>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</i>
<i>Effective date deferred indefinitely / available for optional adoption</i>	<ul style="list-style-type: none">• <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>

Management does not expect that the adoption in future years of the above amended standards will have a significant impact on the Groups’s condensed consolidated interim financial statements.

5. CASH AND BANK BALANCES

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

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
Cash on hand	1,554	316
<i>Cash at banks and other financial institutions</i>		
Current accounts	65,200	113,703
Savings, short - term deposits and call accounts (1)	377,764	346,092
Margin accounts	3,169	2,987
<i>Total cash at banks and other financial institutions</i>	446,133	462,782
<i>Cash and bank balances in the condensed consolidated statement of financial position</i>	447,687	463,098
Less: restricted bank balances (2)	(3,169)	(2,987)
<i>Cash and bank balances in the condensed consolidated statement of cash flows</i>	444,518	460,111

EZDAN HOLDING GROUP Q.P.S.C.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

5. CASH AND BANK BALANCES (CONTINUED)

- (1) This balance includes short-term deposits with banks of QR 321,151 as at 30 September 2023 (31 December 2022: QR 242,887).
- (2) Restricted bank balances represent cash margin (letter of bank guarantees) and are not available for use by the Group (Note 19).

6. TRADE AND OTHER RECEIVABLES

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
Tenant receivables – net (1)	58,087	81,101
Notes receivable (Note 8.iv)	25,076	25,000
Advances to suppliers and contractors	4,754	15,737
Due from related parties (Note 12(b.i))	480	626
Refundable deposits	9,936	9,219
Prepaid expenses	10,214	5,266
Other receivables and debit balances – net (1)	3,438	1,904
	111,985	138,853

Trade and other receivables are segregated between current and non-current portions as follows:

	Current	Non-current	Total
<i>30 September 2023 (un-reviewed)</i>			
Tenant receivables – net	58,087	-	58,087
Notes receivable	25,076	-	25,076
Advances to suppliers and contractors	4,754	-	4,754
Due from related parties	480	-	480
Refundable deposits	-	9,936	9,936
Prepaid expenses	10,214	-	10,214
Other receivables and debit balances – net	3,438	-	3,438
	102,049	9,936	111,985

	Current	Non-current	Total
<i>31 December 2022 (Audited)</i>			
Tenant receivables – net	81,101	-	81,101
Notes receivable	25,000	-	25,000
Advances to suppliers and contractors	15,737	-	15,737
Due from related parties - net	626	-	626
Refundable deposits	-	9,219	9,219
Prepaid expenses	5,266	-	5,266
Other receivables and debit balances – net	1,904	-	1,904
	129,634	9,219	138,853

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

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

6. TRADE AND OTHER RECEIVABLES (Continued)

(1) The allowance for impairment of trade and other receivables consists of:

	30 September 2023	31 December 2022
	(Un-reviewed)	(Audited)
Tenant receivables	83,482	90,095
Other receivables	12,814	12,814
	96,296	102,909

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

	30 September 2023	31 December 2022
	(Un-reviewed)	(Audited)
At the beginning of the period / year	102,909	100,129
Provisions	4,388	17,409
Provision written-off	(11,001)	(13,377)
Other movement (Note 22)	-	(1,252)
At the end of the period / year	96,296	102,909

7. EQUITY INVESTMENTS*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.

	30 September 2023	31 December 2022
	(Un-reviewed)	(Audited)
At the beginning of the period / year	-	2,671,864
Disposals of subsidiaries (1) (Note 22)	-	(3,501,953)
Net change in fair value	-	830,089
At the beginning of the period / year	-	-

(1) On 14 August 2022, the Group's investments in quoted shares amounting to QR 3,501,953 were derecognized as the subsidiaries that hold the shares were disposed by the Group (Note 22). The impacts of these disposals are shown below:

	31 December 2022
	(Audited)
Carrying amounts	1,673,291
Gain on sale of equity investments (i)	1,828,662
Due from related party on disposal of equity investments (Note 22)	3,501,953

(i) The resulting gain was transferred from "Fair value reserves" to "Retained earnings" account as shown in the condensed consolidated statement of changes in equity (Note 22).

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

7. EQUITY INVESTMENTS (Continued)

Before the disposal of equity investments during the year 2022 (Note 22), the Group generated dividend income from the equity investments amounting to QR nil (30 September 2022: QR 86,830) during the period.

8. EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE

The Group had following equity-accounted investees and joint venture during the year 2022:

A. Associates

The entire equity - accounted investments in associates of the Group were derecognized as the subsidiaries that hold those investments were disposed during the year 2022 (Note 22).

(i) Qatar International Islamic Bank Q.P.S.C. (QIIB)

QIIB was incorporated under Amiri Decree No.52 of 1990. QIIB operates through its head office located on Grand Hamad Street in Doha and 19 local branches. The QIIB is listed, and its shares are traded on the Qatar Stock Exchange. QIIB is engaged in banking, financing and investing activities in accordance with its Articles of Incorporation, Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of QIIB and regulations of Qatar Central Bank.

(ii) Medicare Group Q.P.S.C. (MCGS)

MCGS formerly known as Al Ahli Specialised Hospital Company Q.S.C. is a Qatari Public Shareholding Company incorporated on 30 December 1996 under Commercial Registration Number 18895. Its registered office is located at P.O. Box 6401, Doha, State of Qatar. Its main activity is to operate a specialised hospital and promote medical services in State of Qatar.

(iii) Qatar Islamic Insurance Group Q.P.S.C. (QIIG)

QIIG was incorporated in the State of Qatar as a Closed Shareholding Company on 30 October 1993. On 12 December 1999, QIIG changed its status to a public listed company. The QIIG is engaged in business of underwriting general, Takaful (life) and health non- interest insurance in accordance with the Islamic Shari'a principles.

Before the disposal of equity - accounted investments in associates, although the Group held less than 20% of the ownership interest and voting rights of QIIB, MCGS and QIIG, the Group had the ability to exercise significant influence through its nominated members in Board of Directors of the aforesaid equity-accounted investees, hence, the equity method had been applied.

B. Joint venture

(iv) White Square Real Estate W.L.L. (White Square)

White Square is a limited liability company registered and incorporated in the State of Qatar under the Commercial Registration No. 51302. White Square is structured as a joint venture company between the Company and Mr. Ibrahim Rashid Al-Mohannadi for the purpose of constructing and management of an investment property. White Square is principally engaged in real estate trading, development and rental activities.

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8. EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE (CONTINUED)**B. Joint venture (Continued)***(iv) White Square Real Estate W.L.L. (White Square) (Continued)*

On 12 June 2022, the Board of Directors unanimously approved the sale of the Group's proportionate share in its investment in White Square. On 3 July 2022, an agreement was executed, and the Group sold to Mr. Ibrahim Rashid Al-Mohannadi, joint venture partner, its investment share amounting to QR 45,000 which is collectible in instalments. The Group received post - dated cheques in which QR 20,000 was already collected during year 2022 and the remaining balance of QR 25,000 which is due in year 2023 is recognized as part of "Trade and other receivables – notes receivables" account (Note 6).

The above disposal transaction is further summarized below:

	30 September 2023	31 December 2022
	(Un-reviewed)	(Audited)
Carrying amount as at 30 June 2022 (effective date of disposal)	-	43,835
Gain on sale of equity-accounted joint venture	-	1,165
Notes receivable	25,000	25,000
Proceeds from sale of equity-accounted joint venture	-	20,000

The Joint Venture's investment property carried under fair value model constitutes 96% of its total assets. The joint venturers appointed an independent valuation expert to determine its fair value as at date of disposal, 30 June 2022. The investment property's fair value amounted to QR 560,000 as at 30 June 2022 which resulted to a total loss from a change in fair value of investment property amounting to QR 166,259. The Group's share in the valuation loss amounted to QR 54,034 (32.5% share) which represents 98% of its total share in total comprehensive loss for the period ended 30 June 2022 which amounted to QR 55,275.

The Group also recognized its share on the operating results of its equity-accounted investees / joint venture amounting to QR nil (30 September 2022: loss of QR 18,411) during the period.

No impairment loss was recognized on equity-accounted investees during the period / year.

All the associates and joint venture were accounted for using the equity method of accounting.

9. INVESTMENT PROPERTIES

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

	30 September 2023	31 December 2022
	(Un-reviewed)	(Audited)
At the beginning of the period / year	45,702,277	44,827,392
Additions of investment properties (Note 22)	-	1,471,337
Development costs	88,598	448,987
Net loss from change in fair value of investment properties	-	(1,059,247)
Capitalized finance costs on investment properties under development (1)	-	25,381
Foreign exchange adjustments	1,194	(11,573)
At the end of the period / year	45,792,069	45,702,277

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9. INVESTMENT PROPERTIES

- (1) Capitalized finance cost is computed based on the average qualifying expenditures related to the projects under developments. Finance cost is capitalized using the Group's weighted average capitalization rate of 4.68% for the year ended 31 December 2022. During the nine months period ended 30 September 2023, there are no capitalized finance costs as the Group had completed its properties under development during the year 2022.

Investment properties consist of:

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
Completed properties	44,769,029	44,679,237
Vacant land	1,023,040	1,023,040
	<u>45,792,069</u>	<u>45,702,277</u>

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

The mortgages on the investment properties are disclosed in Note 13.

Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 31 December 2022. During the year 2022, the Group engaged three independent valuation experts to assess the fair market values of the Group's investment properties. These valuers are accredited independent valuers with a recognized and relevant professional qualification and with recent experience in the location and category of those investment property being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgment and not only relied on historical comparable transactions. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation- Professional Standards 2022 (the "Red Book").

The Group did not perform a fair valuation of investment properties at 30 September 2023. The Group's management believes that the fair values of investment properties as at 30 September 2023 and 31 December 2022 are approximately the same after considering the impact of additions and foreign exchange adjustments totalling QR 89,792 during the period.

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10. PROPERTY AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture, fixtures and office equipment	Capital work in progress	Total
<i>Cost</i>						
At 1 January 2022	407,660	363,072	8,700	120,492	502	900,426
Additions	-	-	911	5,547	23	6,481
Disposals	-	-	-	(2)	-	(2)
Reclassifications	-	-	-	525	(525)	-
At 31 December 2022	407,660	363,072	9,611	126,562	-	906,905
Additions	-	-	-	2,792	618	3,410
Disposals	-	-	-	(1)	-	(1)
At 30 September 2023	407,660	363,072	9,611	129,353	618	910,314
<i>Accumulated depreciation</i>						
At 1 January 2022	-	71,432	8,429	115,674	-	195,535
Charge for the year	-	18,154	395	4,903	-	23,452
Disposals	-	-	-	(2)	-	(2)
At 31 December 2022	-	89,586	8,824	120,575	-	218,985
Charge for the year	-	13,578	163	2,101	-	15,842
At 30 September 2023	-	103,164	8,987	122,676	-	234,827
<i>Carrying amounts</i>						
At 30 September 2023 (Un-reviewed)	407,660	259,908	624	6,677	618	675,487
At 31 December 2022 (Audited)	407,660	273,486	787	5,987	-	687,920

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11. TRADE AND OTHER PAYABLES

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
Due to related parties (Note 12(b.ii))	1,636,678	1,638,199
Dividend payables (1)	492,056	536,156
Tenants' deposits	171,238	181,277
Payables to contractors and suppliers	66,148	67,138
Unearned rent income	74,636	71,965
Accrued expenses	17,157	34,534
Provision for Social and Sports Activities Fund	-	2,168
Provision for employees' end of service benefits (2)	18,547	15,604
Other payables	54,352	50,049
	<u>2,530,812</u>	<u>2,597,090</u>

(1) This pertains to the declared dividends in prior years which are still outstanding as at reporting date. This obligation is payable upon demand.

(2) The movements in the provision of employees' end of service benefits were as follows:

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
At the beginning of the period / year	15,604	11,396
Provision made during the year (Note 16 (b))	3,673	5,656
Provision paid during the year	(730)	(1,448)
At the beginning of the period / year	18,547	15,604

The maturity of trade and other payables are as follows:

<i>30 September 2023 (Un-reviewed)</i>	Current	Non-current	Total
Due to related parties	26,633	1,610,045	1,636,678
Dividend payables (2)	492,056	-	492,056
Tenants' deposits	150,885	20,353	171,238
Payables to contractors and suppliers	66,148	-	66,148
Unearned rent income	74,636	-	74,636
Accrued expenses	17,157	-	17,157
Provision for employees' end of service benefits	-	18,547	18,547
Other payables	54,352	-	54,352
	<u>881,867</u>	<u>1,648,945</u>	<u>2,530,812</u>

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11. TRADE AND OTHER PAYABLES (Continued)

<i>31 December 2022 (Audited)</i>	Current	Non-current	Total
Due to related parties	20,795	1,617,404	1,638,199
Dividend payables	536,156	-	536,156
Tenants' deposits	156,441	24,836	181,277
Payables to contractors and suppliers	67,138	-	67,138
Unearned rent income	71,965	-	71,965
Accrued expenses	34,534	-	34,534
Provision for Social and Sports Activities Fund	2,168	-	2,168
Provision for employees' end of service benefits	-	15,604	15,604
Other payables	49,161	888	50,049
	<u>938,358</u>	<u>1,658,732</u>	<u>2,597,090</u>

12. RELATED PARTY DISCLOSURES**(a) Related party transactions**

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
<i>Transactions with entities under common control:</i>		
Development costs of investment property (1)	<u>2,433</u>	<u>369,490</u>
Capitalized finance costs	<u>-</u>	<u>23,825</u>
Non - cash acquisition of investment properties (Notes 9 and 22)	<u>-</u>	<u>1,471,337</u>
Non - cash settlement of net liabilities to SAK Holding (Note 22)	<u>-</u>	<u>2,275,045</u>
Non - cash NCI's share on debt waiver	<u>-</u>	<u>105,040</u>
<i>Transactions with associates:</i>		
Expensed-out finance costs (2)	<u>-</u>	<u>68,226</u>
<i>Transactions with related parties:</i>		
Rental income	<u>911</u>	<u>1,214</u>
<i>Transactions with key management personnel:</i>		
Allowances of key management personnel (Note 13(c))	<u>4,406</u>	<u>5,835</u>
<i>Transactions with other related parties:</i>		
Financings – net (3)	<u>(3,786)</u>	<u>(1,506,187)</u>

(1) During 2022, the Group had construction agreements with SAK Trading and Contracting Company W.L.L. an entity under common control, to construct specific investment properties (Note 9).

(2) The Group had secured Islamic finance borrowings from its equity-accounted investee.

(3) These includes borrowings directly or indirectly received or provided through other related party.

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12. RELATED PARTY DISCLOSURES (Continued)**(b.i) Due from related parties**

	<i>30 September</i> 2023	<i>31 December</i> 2022
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
<i>Parent Company:</i>		
Al-Tadawul Trading Group Q.P.S.C.	480	626

The above balance is of financing in nature, bears no profit or securities, receivable on demand and collectible in cash.

(b.ii) Due to related parties

	<i>30 September</i> 2023	<i>31 December</i> 2022
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
<i>Entity under common control:</i>		
SAK Holding Group W.L.L. (1) (Note 22)	8,833	6,567
<i>Other related parties:</i>		
Borrowing directly or indirectly through other related party (2)	1,627,845	1,631,632
Total (Note 11)	1,636,678	1,638,199

- (1) This amount represents the other remaining balance due to SAK Holding Group W.L.L. and its subsidiaries in relation to the settlement agreement with the Group and its subsidiaries. The above balance is not related to the disposal transaction as disclosed in Note 22.

The above balance bears no profit or securities, payable on demand and to be settled in cash.

- (2) During 2022 the Group obtained unsecured profit – bearing borrowings which were directly or indirectly received through other related party. The unsecured borrowings carry profits at commercial rates. The maturity of unsecured borrowings is 10 years. This includes non-current balance amounting to QR 1,610,045 (31 December 2022: QR 1,617,404) (Note 22) as at reporting date. Further, the Group made additional borrowings amounting to QR nil (31 December 2022: QR 831 million) and total borrowing repayments including offset of liability against a common related party receivable amounting to QR 1,136 million (31 December 2022: 122 million) during the period. The Group recognized finance costs amounting to QR 149,494 (30 September 2022: QR 83,816) during the period (Note 18).

These unsecured profit – bearing borrowings were obtained for the purpose of settlement of the Company's Sukuk borrowings, listed on the Irish Stock Exchange. In April 2022, the Group had fully settled the Sukuk borrowings.

(c) Compensation of directors and other key management personnel

The remuneration of directors and other key management personnel during the period is as follows:

	<i>For the nine-month period</i> ended 30 September	
	2023	2022
	<i>(Un-reviewed)</i>	<i>(Un-reviewed)</i>
Allowances of key management personnel (Note 12(a))	4,406	4,190

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13. ISLAMIC FINANCINGS

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

	<i>30 September</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
At the beginning of the period / year	11,211,343	13,231,170
Finance costs (Note 18)	695,874	669,575
Repayments	(813,078)	(2,689,402)
Total	11,094,139	11,211,343
Less: transaction costs	(36,462)	(34,796)
At the end of the period / year	11,057,677	11,176,547

The maturity of these borrowings are as follows:

Current portion	379,090	706,711
Non-current portion	10,678,587	10,469,836
	11,057,677	11,176,547

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

<i>Type of facility</i>	<i>Currency</i>	<i>Condition</i>	<i>Profit rates / terms</i>	<i>30 September</i>	<i>31 December</i>
				<i>2023</i>	<i>2022</i>
				<i>(Un-reviewed)</i>	<i>(Audited)</i>
Ijara	QR	Secured	QMRL rate	4,252,110	4,252,987
Murabaha	QR	Secured	QMRL rate	6,722,777	6,777,789
Murabaha	USD	Secured	1Y/3 M LIBOR	119,252	180,567
				11,094,139	11,211,343

The Islamic financings have been obtained for the purpose of financing the obligations of the Group. All the contracts carry profits at commercial rates.

As at 30 September 2023, the Group had secured borrowings against mortgages on different types of investment properties (Note 9) owned by the Group with a fair market value of QR 17,972,000 (31 December 2022: 17,972,000).

The fair values of these borrowings are disclosed in Note 21.

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13. ISLAMIC FINANCINGS (Continued)

The maturity profiles of the facilities are as follows:

30 September 2023 (Un-reviewed)	1 year	2-5 years	Over 5 years	Total
<i>Type of facility</i>				
Ijara (QR)	144,935	483,449	3,623,726	4,252,110
Murabaha (QR)	115,132	3,311,271	3,296,374	6,722,777
Murabaha (USD)	119,023	229		119,252
	<u>379,090</u>	<u>3,794,949</u>	<u>6,920,100</u>	<u>11,094,139</u>
31 December 2022 (Audited)	1 year	2-5 years	Over 5 years	Total
<i>Type of facility</i>				
Ijara (QR)	469,244	378,816	3,404,927	4,252,987
Murabaha (QR)	189,216	1,094,511	5,494,062	6,777,789
Murabaha (USD)	83,047	97,520	-	180,567
	<u>741,507</u>	<u>1,570,847</u>	<u>8,898,989</u>	<u>11,211,343</u>

The Group recognized finance costs amounting to QR 695,874 (30 September 2022: QR 478,197) during the period (Note 18).

14. SHARE CAPITAL

	30 September 2023	31 December 2022
	(Un-reviewed)	(Audited)
<i>Authorised, issued and fully paid up:</i>		
26,524,967 thousand of shares of QR 1 each (31 December 2022: 26,524,967 thousand of shares of QR 1 each)	<u>26,524,967</u>	<u>26,524,967</u>

All ordinary shares rank equally with regard to the Company's residual assets (Note 17).

15. RENTAL INCOME AND OTHER OPERATING REVENUES

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

Disaggregation of revenues from contracts with customers

In the following table, revenues from contracts with customers is disaggregated by major service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenues with the Group's reportable segments (Note 20).

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15. RENTAL INCOME AND OTHER OPERATING REVENUES (Continued)

Disaggregation of revenues from contracts with customers (continued)

A. Disaggregation of revenues based on major revenue streams:

	<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>For the nine-month period ended 30 September 2023 (Un-reviewed)</i>					
Rental income (under IFRS 16)	1,184,450	-	117,442	50,328	1,352,220
Revenue under IFRS 15					
<i>Major service lines</i>					
Food and beverage	-	-	14,933	-	14,933
Health club	-	-	2,380	-	2,380
Internet	-	-	3,087	-	3,087
Laundry	-	-	633	-	633
Entertainment	-	-	-	654	654
Provision of utilities services	10,211	-	-	-	10,211
Common area charges	-	-	-	13,740	13,740
Marketing services	-	-	-	3,021	3,021
Property management services	7,973	-	-	-	7,973
Others	8,743	-	872	2,118	11,733
Revenue under IFRS 15 (Note 15.B)	26,927	-	21,905	19,533	68,365
Other income	17,823	-	3,695	8	21,526
External revenue as reported in Note 20	1,229,200	-	143,042	69,869	1,442,111

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15. RENTAL INCOME AND OTHER OPERATING REVENUES (Continued)
Disaggregation of revenues (continued)
A. Disaggregation of revenues based on major revenue streams (continued):

<i>For the nine-month period ended 30 September 2022 (Un-reviewed)</i>	<i>Revenue streams</i>				
	<i>Residential and commercial property</i>	<i>Investments</i>	<i>Hotel and suites</i>	<i>Malls</i>	<i>Total</i>
Rental income (under IFRS 16) (Note 16)	1,042,605	-	86,906	46,822	1,176,333
Revenue under IFRS 15					
<i>Major service lines</i>					
Food and beverage	-	-	14,606	-	14,606
Health club	-	-	1,757	-	1,757
Internet	-	-	1,149	-	1,149
Laundry	-	-	625	-	625
Entertainment	-	-	-	21	21
Provision of utilities services	18,695	-	-	-	18,695
Common area charges	-	-	-	13,860	13,860
Marketing services	-	-	-	3,469	3,469
Property management services	6,887	-	-	-	6,887
Others	13,416	-	121	2,226	15,763
Revenue under IFRS 15 (Note 13.B)	38,998	-	18,258	19,576	76,832
Income from investments and other income					
Dividend income from equity investments (Note 7)	-	86,830	-	-	86,830
Gain on sale of equity-accounted investees and joint venture	-	576,479	-	-	576,479
Share of result of equity-accounted investees and joint venture (Note 8)	-	(18,411)	-	-	(18,411)
Other income	6,257	55	22	7	6,341
	6,257	644,953	22	7	651,239
External revenue as reported in Note 18	1,087,860	644,953	105,186	66,405	1,904,404

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

	Timing of revenue recognition	<i>For the nine-month period ended 30 September</i>	
		<i>2023 (Un-reviewed)</i>	<i>2022 (Un-reviewed)</i>
Food and beverage	Point in time	14,933	14,606
Common area charges	Over the time	13,740	13,860
Provision of utilities services	Over the time	10,211	18,695
Property management services	Over the time	7,973	6,887
Marketing services	Point in time	3,021	3,469
Internet	Over the time	3,087	1,149
Health club	Over the time	2,380	1,757
Entertainment	Over the time	654	21
Laundry	Point in time	633	625
Others	Over the time	11,733	15,763
Revenue under IFRS 15 (Note 15.A)		68,365	76,832

16. EXPENSES***a. Operating expenses:***

	<i>For the nine-month period ended 30 September</i>	
	<i>2023 (Un-reviewed)</i>	<i>2022 (Un-reviewed)</i>
Staff cost (1)	67,392	62,289
Utilities	62,927	77,607
Sewage	51,433	28,458
Repairs and maintenance	34,804	28,675
Air conditioning	16,637	13,433
Cleaning	10,423	9,559
Security	10,753	10,273
Registration fees	5,952	5,717
Food and beverages	4,013	3,909
Laundry and dry cleaning	4,251	2,813
Advertising costs	2,748	3,494
Commissions	1,327	1,579
Fuel	258	413
Lease expenses	152	-
Other operating expenses	4,926	5,972
	277,996	254,191

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16. EXPENSES (Continued)**b. General and administrative expenses:**

	<i>For the nine-month period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Un-reviewed)</i>	<i>(Un-reviewed)</i>
Professional fees	29,251	13,878
Staff cost (1)	28,242	26,450
Registration fees	6,307	6,301
Bank charges	4,737	5,122
Insurance costs	2,963	2,691
Information system	3,424	1,519
Communication	1,422	1,495
Printing and stationery	580	475
Advertising costs	391	748
Other general and administrative expenses	3,117	6,503
	80,434	65,182

(1) Staff cost includes a provision for employees' end of service benefits of QR 3,673 (30 September 2022: QR 4,591) during the period (Note 11).

(2) This also includes allowances of key management personnel amounting to QR 4,406 (30 September 2022: QR 4,190) (Note 12(a and c)).

17. 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-month period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Un-reviewed)</i>	<i>(Un-reviewed)</i>
Profit for the period attributable to owners of the Company	219,672	321,024
Weighted average number of shares outstanding during the period (thousands of shares) (Note 14)	26,524,967	26,524,967
Basic and diluted earnings per share	0.008	0.012

18. FINANCE COSTS

	<i>For the nine-month period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Un-reviewed)</i>	<i>(Un-reviewed)</i>
Profits charged on Islamic financings	845,368	562,013
Finance costs – impact in profit and loss (Notes 12 and 13)	845,368	562,013
Capitalized finance costs on investment property under development	-	25,381
	845,368	587,394

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19. 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 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
Bank guarantees	<u>3,169</u>	<u>2,987</u>

The Group anticipates that no material liabilities will arise from the above guarantees which are issued in the ordinary course of the business (Note 5).

Commitments**(i) Capital expenditure commitments:**

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

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
Contractual commitments to contractors and suppliers for development of investment property projects	<u>227,645</u>	<u>296,372</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-month period is disclosed in Note 15 as "Rental income".

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

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Un-reviewed)</i>	<i>(Audited)</i>
No later than one year	901,749	1,052,408
Later than one year and no later than five years	263,604	290,953
More than five years	154,721	172,015
	<u>1,320,074</u>	<u>1,515,376</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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20. OPERATING SEGMENTS

The Group has three strategic divisions (31 December 2022: four strategic divisions including investments), 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.
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-month period:

<i>For the nine-month period ended 30 September 2023 (Un-reviewed)</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 (Note 15)	1,232,900	-	146,786	69,869	(7,444)	1,442,111
Segment expenses	(1,147,249)	-	(64,125)	(20,375)	9,307	(1,222,442)
Segment profit	<u>85,651</u>	<u>-</u>	<u>82,661</u>	<u>49,494</u>	<u>1,863</u>	<u>219,669</u>

For the nine-month period ended 30 September 2022 (Un-reviewed)

Segment income (Note 15)	1,091,148	645,603	108,881	66,405	(6,983)	1,905,054
Segment expenses	(1,472,989)	(14)	(61,326)	(26,504)	(24,571)	(1,585,404)
Segment profit	<u>(381,841)</u>	<u>645,589</u>	<u>47,555</u>	<u>39,901</u>	<u>(31,554)</u>	<u>319,650</u>

<i>Segment assets</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>
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<i>As at 30 September 2023 (Un-reviewed)</i>	<u>43,704,505</u>	<u>-</u>	<u>3,371,671</u>	<u>1,753,479</u>	<u>(1,788,138)</u>	<u>47,041,517</u>
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<i>As at 31 December 2022 (Audited)</i>	<u>42,651,448</u>	<u>-</u>	<u>3,304,675</u>	<u>1,712,828</u>	<u>(661,204)</u>	<u>47,007,747</u>
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Segment liabilities

<i>As at 30 September 2023 (Un-reviewed)</i>	<u>15,196,350</u>	<u>-</u>	<u>156,546</u>	<u>24,402</u>	<u>(1,788,809)</u>	<u>13,588,489</u>
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<i>As at 31 December 2022 (Audited)</i>	<u>14,871,128</u>	<u>-</u>	<u>158,481</u>	<u>36,494</u>	<u>(1,292,466)</u>	<u>13,773,637</u>
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AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

21. 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>Amortized cost</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>As at 30 September 2023 (Un-reviewed)</i>						
<i>Financial assets not measured at fair value</i>						
Trade and other receivables	-	193,591	-	-	-	-
Cash and bank balances	-	447,687	-	-	-	-
<i>Financial liabilities measured at amortized cost</i>						
Islamic financings – others	-	11,057,677	-	-	-	-
Trade and other payables	-	1,928,415	-	-	-	-

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21. FAIR VALUES AND RISK MANAGEMENT (Continued)**FINANCIAL INSTRUMENTS (Continued)***Accounting classification and fair values (continued)*

	<i>Carrying amount</i>		<i>Fair Values</i>			
	<i>FVOCI – equity investment</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 2022 (Audited)</i>						
<i>Financial assets not measured at fair value</i>						
Trade and other receivables	-	220,759	-	-	-	-
Cash and bank balances	-	463,098	-	-	-	-
<i>Financial liabilities measured at amortized cost</i>						
Islamic financings – others	-	11,176,547	-	-	-	-
Trade and other payables	-	1,936,663	-	-	-	-

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AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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21. FAIR VALUES AND RISK MANAGEMENT (Continued)**INVESTMENT PROPERTIES**

	<i>Carrying amounts</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 2023 (Un-reviewed)</i>					
Completed properties	44,769,029	-	-	44,769,029	44,769,029
Vacant land	1,023,040	-	1,023,040	-	1,023,040
Total (Note 9)	<u>45,792,069</u>	<u>-</u>	<u>1,023,040</u>	<u>44,769,029</u>	<u>45,792,069</u>
	<i>Carrying amounts</i>	<i>Fair Values</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>As at 31 December 2022 (Audited)</i>					
Completed properties	44,679,237	-	-	44,679,237	44,679,237
Vacant land	1,023,040	-	1,023,040	-	1,023,040
Total (Note 9)	<u>45,702,277</u>	<u>-</u>	<u>1,023,040</u>	<u>44,679,237</u>	<u>45,702,277</u>

* The valuation of investment properties is not carried out as at 30 September 2023; categorization into fair value hierarchy levels is based on methods used during valuation at 31 December 2022. There are no transfers between level 2 and level 3 during the period / year.

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21. FAIR VALUES AND RISK MANAGEMENT (Continued)**INVESTMENT PROPERTIES (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 2023 and 31 December 2022 for assets and liabilities measured at fair value in the condensed consolidated statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.w of the last annual consolidated financial statements.

<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 – Land in State of Qatar and UK	<i>Market approach:</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.	Not applicable	Not applicable
Investment property – completed properties and projects under development – State of Qatar and UK	<p><i>Income approach:</i></p> <p><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.</p> <p><i>Income capitalization approach:</i> a type of real estate appraisal method that is used to estimate the value of a property based on the income the property generates.</p>	<p><u>Expected net cash flows (Note 23):</u> 30 September 2023: Not Applicable (31 December 2022: from positive net cash flows of QR 1,675,940 to positive net cash flows of QR 2,250,058 from year 2023 to 2027 and a terminal value of QR 50,056,001).</p> <p><u>Weighted average cost of capital:</u> 30 September 2023: Not Applicable (31 December 2022: 6.5 – 7.5 %)</p> <p><u>Terminal growth rate:</u> 30 September 2023: Not Applicable (31 December 2022: 2%)</p> <p><u>Terminal yield rate:</u> 30 September 2023: Not Applicable (31 December 2022: 4.5 – 5.5%)</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - Expected net cash flows were higher (lower); - Weighted average cost of capital were lower (higher); - Terminal growth rate was higher (lower); or - Terminal yield rate were lower (higher).

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22. DISPOSAL OF SUBSIDIARIES AND SETTLEMENT WITH SAK HOLDING GROUP W.L.L.

In accordance with the General Assembly meeting held on 28 April 2022, the shareholders of the Group approved to settle the proportionate share of SAK Holding Group W.L.L. (“SAK Holding”) in the jointly-developed investment properties in accordance with shareholders’ resolution issued on Extra - Ordinary General Assembly meeting held last 20 November 2013, at a value of QR 1,471,337 as determined by independent valuation experts (Notes 9 and 12). In addition, the Group agreed to settle the amount due to SAK Holding amounting to QR 2,275,045. These amounts are to be paid in cash or in kind.

On 5 September 2022, the Group entered into a settlement agreement with SAK Holding and it was resolved to dispose the Group’s subsidiaries as in - kind payment consideration for settlement of SAK Holding’s proportionate share on the investment properties. The fair market value of the disposed subsidiaries amounted to QR 4,759,742 as evaluated by the independent valuation experts appointed by the Group’s management.

The net assets, fair market values and gain on disposal of these subsidiaries were as follows (Notes 7 and 8):

	<i>Fair market values</i>	<i>Net assets</i>	<i>Gain</i>
Al Taybin Trading Company W.L.L.	1,277,839	1,153,335	124,504
Al Namaa for Maintenance Company W.L.L.	582,234	458,353	123,881
Een Jaloot Trading Company W.L.L.	482,797	412,116	70,681
Arkan for Import and Export Company W.L.L.	717,105	650,880	66,225
Shatea Al Nile Company W.L.L.	518,793	454,390	64,403
Al Ekleem for Real Estate and Mediation W.L.L.	564,986	501,499	63,487
Tareek Al Hak Trading Company W.L.L.	615,988	553,855	62,133
	4,759,742	4,184,428	575,314

As a result of the above disposals, the following net assets were derecognised:

	<i>31 December 2022</i>
	<i>(Audited)</i>
Equity investments (Note 7)	3,501,953
Equity-accounted investees – associates (Note 8)	682,475
Other receivables (Note 6)	1,252
Provision against other receivables (Note 6)	(1,252)
	4,184,428

On the disposal of the subsidiaries, the Group transferred fair value reserves relating to FVOCI equity investments amounting to QR 1,828,662 to retained earnings (Note 7).

The disposal was not treated as discontinued operations as it doesn’t 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.

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23. KEY ASSUMPTIONS AND JUDGMENTS USED

The preparation of the condensed consolidated interim financial statements requires management to consider the judgements, estimates and assumptions used in the valuation of investment properties, a part of which includes assumptions in related to future revenues as part of its cash flow projections for the years from 2023 to 2027 (Note 21).