

Notice of Convocation of Ezdan Holding Group Annual General Meeting

The Board of Directors of Ezdan Holding Group has the honor to invite its valued shareholders to attend the Ordinary General Assembly Meeting for the fiscal year ending on 31/12/2023 AD, on Sunday, 21/4/2024 AD at (PM 5:00) 5 pm electronically via the ZOOM application (Zoom) In the event that the quorum is not reached, the alternative meeting will be held on Sunday, 28/4/2024 AD at (PM 5:00) 5 pm electronically Through the ZOOM application.

Matters on the agenda of the Ordinary General Assembly Meeting for the fiscal year ending on 31/12/2023:

- 1- Hear the speech of His Excellency the Chairman of the Board of Directors and discussing the report of the Board of Directors on the Group's activities and financial position for the financial year ended 31/12/2023 and presenting the Group's future plan for the year 2024.
- 2- Discuss the auditors' report on the company's budget and financial position for the year ended 31/12/2023.
- 3- Discuss and approving the Group's annual general budget and profit and loss account for the fiscal year ending on 31/12/2023.
- 4- Discuss the recommendation of the Board of Directors regarding the non-distribution of cash dividends.
- 5- Discuss and approve the Group's Corporate Governance Report for 2023.
- 6- Discuss the auditor's report on the requirements of Article (24) of the Corporate Governance Law for Companies and Legal Entities Listed on the Main Market issued pursuant to Qatar Financial Markets Authority Resolution No. (5) of 2016.
- 7- Consider the discharge of the members of the Board of Directors from liability for the fiscal year ending on 31/12/2023.
- 8- Approving the remuneration policy in accordance with Article 8 of the Corporate Governance Code for listed companies.
- 9- Discussing the group's internal and external marketing campaign to market the sale of real estate until obtaining the approval of the concerned authorities on the sale process, and in the event of obtaining a foreign investor and the approval of the concerned authorities, another ordinary general assembly will be held to obtain its approval for the sale.
- 10- Presenting the tender for the appointment of a Group auditor for the fiscal year 2024 and determination of his fees.

Attendance and voting procedures:

- 1- Shareholders wishing to participate virtually are kindly requested to send an email to the following address: alphaqatar2020@gmail.com At least two hours before the meeting date, provided that this mail includes the following shareholder data (shareholder number - copy of identity - mobile number - copy of the authorization / power of attorney and supporting documents for representatives of individuals and legal entities).
- 2- The virtual participation link in the meeting will be sent electronically to shareholders whose contact details have been received, where they can participate in the discussion and vote on the agenda.
- 3- Each shareholder shall have the right to attend the meetings of the General Assembly, and he shall have a number of votes equal to the number of his shares, and decisions shall be issued by an absolute majority of the shares represented at the meeting.
- 4- Minors and interdicted persons shall be represented by their legal representatives.
- 5- The power of attorney may not be authorized to attend the meetings of the General Assembly, provided that the agent is a shareholder, and that the power of attorney is private and fixed in writing, and the shareholder may not authorize a member of the Board of Directors to attend the meetings of the General Assembly on his behalf, and in all cases, the number of shares held by the agent in this capacity may not exceed (5%) of the company's capital shares.

The Chairman's Message

Our Valued Shareholders

Representing myself and the Board of Directors, I am delighted to share with you Ezdan Holding Group's annual report for 2023. The financial statements of the Group reveal a net profit of QAR 99.7 million, an increase from QAR 86.7 million in the previous year, 2022. Earnings per share have risen to QAR 0.004, up from QAR 0.003 in 2022. The Group's revenue stood at QAR 1,913 million, showing a slight variation from the QAR 1,937 million revenue recorded in the preceding year.

Respected Shareholders...

Ezdan Holding Group consistently realizes its distinct vision and executes its effective strategy, aligning with the national vision and the country's development plan under the astute leadership of His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar. The Group's endeavors have significantly advanced the Qatari real estate sector, introducing a range of new options and products that cater to the needs of the local market. This progress is exemplified by the launch of several new residential complexes, addressing the growing demand for residential and commercial spaces in Qatar.

In pursuit of these goals, the Group has embraced a strategic investment approach, capitalizing on the nation's growth and prosperity across various sectors. Its commitment to steady progress towards sustainable development and growth is evident in its operations. This approach not only strengthens the Group's business but also plays a crucial role in augmenting its assets.

Respected Shareholders...

We extend our gratitude to our shareholders for their invaluable trust and offer our thanks to all the group's employees for their commitment, hard work, and dedication over the past year. We reaffirm our ongoing commitment to our steadfast strategy and to channelling our efforts towards enhancing our assets. This ensures our continued contribution to supporting sustainable development initiatives and participating in the advancement and growth of diverse investment and productive sectors within the country.

May God grant us success...

Thani Bin Abdullah Al Thani
Chairman of Ezdan Holding Group

INDEPENDENT AUDITOR’S REPORT
TO THE SHAREHOLDERS OF EZDAN HOLDING GROUP Q.P.S.C.
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Ezdan Holding Group Q.P.S.C. (the “Company”) and its subsidiaries (together with the Company, the “Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 11 to 72.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISA). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Group’s consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties

See Notes 3(f), 9, 27 and 30 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The Group has recognised investment properties in the amount of QR 45,643,861 thousand (2022: QR 45,702,277 thousand) which represents 98% (2022: 97%) of the Group’s total assets and is measured at fair value.</p> <p>Estimating the fair value is a complex process involving number of judgements and estimates including key assumptions. Consequently, the valuation of investment properties is considered to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none">Evaluating the competence and capabilities of the two external valuation experts appointed by the Group;Agreeing the property information in the valuation by tracing a sample of inputs to the underlying property records held by the Group;Involving our own valuation specialist to assist us in the following matters: <div><ul style="list-style-type: none">- assessing the consistency of the valuation basis and appropriateness of the methodology used, based on generally accepted valuation practices; and- Evaluating the appropriateness of the assumptions applied to key inputs such as annual cash flows, market prices, operating costs, terminal value growth rates, terminal yield and the weighted-average cost of capital (discount rate), which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and the industry.</div> <ul style="list-style-type: none">Evaluating the adequacy of the disclosures in the consolidated financial statements including the disclosures of key assumptions and judgments.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group’s annual report (the “Annual Report”) but does not include the consolidated financial statements and our auditor’s report thereon. Prior to the date of this auditor’s report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as

management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our audit’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and the timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and other regulatory requirements

Further, as required by the Qatar Commercial Companies Law (QCCL) No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 (“the amended QCCL”), we report the following:

- The Group has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- An inventory count has been conducted in accordance with established principles;
- We have obtained all the information and explanations we considered necessary for the purpose of our audit;
- We are not aware of any violations of the amended QCCL or the Articles of Association having occurred during the year which might have had a material effect on the Group’s consolidated financial position or on its financial performance as at and for the year ended 31 December 2023; and
- We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023 (ALL AMOUNTS EXPRESSED IN THOUSANDS OF QATARI RIYAL UNLESS OTHERWISE STATED)		
	2023	2022
ASSETS		
Cash and bank balances	371,574	463,098
Trade and other receivables	100,433	138,853
Inventories	14,592	15,599
Investment properties	45,643,861	45,702,277
Property and equipment	670,977	687,920
TOTAL ASSETS	46,801,437	47,007,747
LIABILITIES AND EQUITY		
LIABILITIES		
Trade and other payables	2,478,432	2,597,090
Islamic financings	10,995,266	11,176,547
TOTAL LIABILITIES	13,473,698	13,773,637
EQUITY		
Share capital	26,524,967	26,524,967
Legal reserve	1,706,526	1,696,560
Foreign currency translation reserve	729	4,256
Retained earnings	5,270,900	5,183,699
Equity attributable to owners of the Company	33,503,122	33,409,482
Non-controlling interests	(175,383)	(175,372)
TOTAL EQUITY	33,327,739	33,234,110
TOTAL LIABILITIES AND EQUITY	46,801,437	47,007,747
These consolidated financial statements were authorized for issue by the Group's Board of Directors and on 21 March 2024.		

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023 (ALL AMOUNTS EXPRESSED IN THOUSANDS OF QATARI RIYAL UNLESS OTHERWISE STATED)		
	2023	2022
Rental income	1,763,987	1,744,476
Other operating revenues	87,546	113,396
Operating expenses	(364,649)	(379,433)
OPERATING PROFIT FROM MAIN OPERATIONS	1,486,884	1,478,439
Dividend income from equity investments	-	86,830
Share of results of equity-accounted investees and joint venture	-	(18,411)
Gain on disposal of equity - accounted investees	-	575,314
Gain on sale of equity-accounted joint venture	-	1,165
NET OPERATING PROFIT	1,486,884	2,123,337
Loss from change in fair value of investment properties	(192,857)	(1,059,247)
Other income	61,877	10,378
Finance costs	(1,109,741)	(801,602)
General and administrative expenses	(123,440)	(119,724)
Depreciation of property and equipment	(21,313)	(23,452)
Provision of impairment loss of trade and other receivables – net	(10,650)	(17,409)
Gain / (loss) from foreign currency exchange	8,886	(26,927)
PROFIT FOR THE YEAR	99,646	85,354
Profit attributable to:		
Owners of the Company	99,657	86,732
Non-controlling interests	(11)	(1,378)
	99,646	85,354
BASIC AND DILUTED EARNINGS PER SHARE (QR)	0.004	0.003

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 (ALL AMOUNTS EXPRESSED IN THOUSANDS OF QATARI RIYAL UNLESS OTHERWISE STATED)		
	2023	2022
Profit for the year	99,646	85,354
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity investments at FVOCI - net change in fair value	-	830,089
Equity-accounted investees - share of OCI	-	286
	-	830,375
Item that is or may be reclassified subsequently to profit or loss:		
Foreign operations - foreign currency translation differences	(3,527)	6,746
Other comprehensive (loss) / income for the year	(3,527)	837,121
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	96,119	922,475
Attributable to:		
Owners of the Company	96,130	923,853
Non-controlling interests	(11)	(1,378)
	96,119	922,475

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (All amounts expressed in thousands of Qatari Riyal unless otherwise stated)								
	Share capital	Legal reserve (1)	Foreign currency translation reserve	Retained earnings	Total	Non controlling interest	Total Equity	
Balance at 1 January 2023	26,524,967	1,696,560	4,256	5,183,699	33,409,482	(175,372)	33,234,110	
Total comprehensive income for the year								
Profit for the year	-	-	-	99,657	99,657	(11)	99,646	
Other comprehensive income for the year	-	-	(3,527)	-	(3,527)	-	(3,527)	
	-	-	(3,527)	99,657	96,130	(11)	96,119	
Transferred to legal reserve	-	9,966	-	(9,966)	-	-	-	
Transferred to Social and Sports Activities Fund	-	-	-	(2,490)	(2,490)	-	(2,490)	
Balance at 31 December 2023	26,524,967	1,706,526	729	5,270,900	33,503,122	(175,383)	33,327,739	
Attributable to owners of the Company								
	Share capital	Legal reserve (1)	Fair value reserves	Foreign currency translation reserve	Retained earnings	Total	Non controlling interest	Total Equity
Balance at 1 January 2022	26,524,967	1,687,887	1,002,558	(1,546)	3,279,146	32,493,012	(279,034)	32,213,978
Total comprehensive income for the year								
Profit for the year	-	-	-	-	86,732	86,732	(1,378)	85,354
Other comprehensive income for the year	-	-	830,375	6,746	-	837,121	-	837,121
	-	-	830,375	6,746	86,732	923,853	(1,378)	922,475
Transfers of reserves on disposal of FVOCI	-	-	(1,828,662)	-	1,828,662	-	-	-
Movement in non - controlling interests	-	-	-	-	-	-	105,040	105,040
Transferred to legal reserve	-	8,673	-	-	(8,673)	-	-	-
Transferred to Social and Sports Activities Fund	-	-	-	-	(2,168)	(2,168)	-	(2,168)
Other reserve adjustments on disposal of equity-accounted investees	-	-	(4,271)	(944)	-	(5,215)	-	(5,215)
Balance at 31 December 2022	26,524,967	1,696,560	-	4,256	5,183,699	33,409,482	(175,372)	33,234,110

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (All amounts expressed in thousands of Qatari Riyal unless otherwise stated)		
	2023	2022
OPERATING ACTIVITIES		
Profit for the year	99,646	85,354
Adjustments for:		
Loss from change in fair value of investment properties	192,857	1,059,247
Gain on disposal of equity-accounted investees	-	(575,314)
Gain on sale of equity-accounted joint venture	-	(1,165)
Dividend income from equity investments	-	(86,830)
Share of results of equity-accounted investees and joint venture	-	18,411
Depreciation of property and equipment	21,313	23,452
Provision of impairment loss of trade and other receivables – net	10,650	17,409
Provision for employees’ end - of - service benefits	4,853	5,656
Operating expenses recognised from the consumption of small operating equipment	856	3,261
Profit on Islamic bank accounts	(16,618)	(6,681)
Finance costs	1,109,741	801,602
Operating profit before changes in working capital	1,423,298	1,344,402
Working capital changes:		
Trade and other receivables	27,775	(38,395)
Inventories	151	(8,731)
Trade and other payables	(20,903)	71,952
Cash generated from operating activities	1,430,321	1,369,228
Employees' end of service benefits paid	(980)	(1,448)
Net cash generated from operating activities	1,429,341	1,367,780
INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,371)	(6,481)
Payments for development of investment properties	(129,245)	(127,098)
Dividends received from equity investments	-	86,830
Dividends received from equity-accounted investees	-	38,620
Proceeds from sale of joint venture	-	20,000
Profit on Islamic bank accounts received	16,618	6,681
Net movement in restricted bank balances	(227)	2,533
Net cash (used in) / generated from investing activities	(117,225)	21,085
FINANCING ACTIVITIES		
Proceeds from borrowings from other related party	-	831,239
Repayments of borrowings from other related party	(245,223)	(122,164)
Repayments for Islamic financings	(1,090,624)	(2,689,402)
Movement in transaction costs - net	(335)	8,624
Dividends paid related to dividend payable	(58,962)	(58,962)
Net cash used in financing activities	(1,395,144)	(2,030,665)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(83,028)	(641,800)
Net foreign exchange difference	(8,723)	18,338
Cash and cash equivalents as of 1 January	460,111	1,083,573
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	368,360	460,111
Non-cash transactions		