



BARWA  
بروة®



ANNUAL  
REPORT 2023

نبني المستقبل  
BUILDING THE FUTURE





H.H. SHEIKH TAMIM BIN HAMAD AL THANI

THE EMIR OF THE STATE OF QATAR



H.H. SHEIKH HAMAD BIN KHALIFA AL THANI

THE FATHER EMIR

نبني المستقبل

BUILDING THE FUTURE

The Barwa brand has become synonymous with careful project identification, timely execution, adherence to quality standards, cost efficiency and prudent fiscal management, complemented by valuable local expertise. Straddling the residential, commercial, mixed-use and hospitality sectors, we continuously strive to produce a well-balanced portfolio that is geared towards consistent income-generating annuity assets.

Our strategy is centered on keeping our portfolio optimized, by aligning it with market and stakeholder demand, while being focused on long-term value creation.

We have invested wisely in a well-proportioned development pipeline that adds further diversity to our portfolio, and enables us to capitalize on future market opportunities in a thoughtful and risk-mitigated way.

By diversifying into the education-based assets, PPPs and other well studied opportunities, we aim to further insulate ourselves from economic-cycle swings.

By adding mid-to-high residential units to our portfolio, we aim to strengthen our holdings of annuity income-generating assets and further bolster our ability to produce free cash-flows.

To enable a more sustainable payback from our new freehold positions taken in emerging areas such as Lusail, we aim to add the “built-to-sell” model as part of a judicious portfolio mix that yields appreciable returns.

*With efficient capital allocation, well-conceived projects, operational excellence and efficient corporate structures, we are on the path to strengthening our position as a multi asset-class realty major.*



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# BARWA AT GLANCE

Barwa is one of the leading real estate developers, headquartered in Doha, Qatar. We develop and manage properties that reflect the changing needs of the people living, working and visiting the country.

## COMPANY VISION AND STRATEGY



### VISION

To be a reliable real estate company recognized for its strong values, excellence and sustainable returns to its stakeholders.



### MISSION

To create better places in an efficient manner for people to live, work and enjoy.



### VALUES

Entrepreneurship, commitment, reliability, teamwork and integrity.

## STRATEGIC DIRECTION

- Barwa's fundamental strategic direction is to be a real estate development and investment holding company.
- Barwa will make balanced income yielding investments in both its core real estate and synergistic businesses with above market return on investment.

The Segmented Business Model is organized around the following elements:



#### CORE BUSINESS

Real Estate Development, Investments and Operations (Value Creation): We will establish the Barwa way of planning and delivering projects and will replicate the model to the expanded and emerging portfolio.



#### EFFECTIVE GOVERNANCE

(Proper Control & Risk Management): Investment management best practices and performance management that sustain the value proposition.



#### SYNERGISTIC BUSINESSES

Subsidiaries (Controlling stake) Private Equity (Diversifies and enhances revenue stream)

- Well-balanced portfolio.
- Supporting profitability and sustainable growth.
- Enhance credibility and strengthen the brand geographically.

## ABOUT OUR PORTFOLIO

QR

**26 mn.**

Properties available for sale

QR

**1,668 mn.**

Properties under development

**2.02 mn. sq. m.**

Land bank available

QR

**29,418 mn.**

Total properties book value (Real Estate & Land Bank)

QR

**2,328 mn.**

Book value of land bank

QR

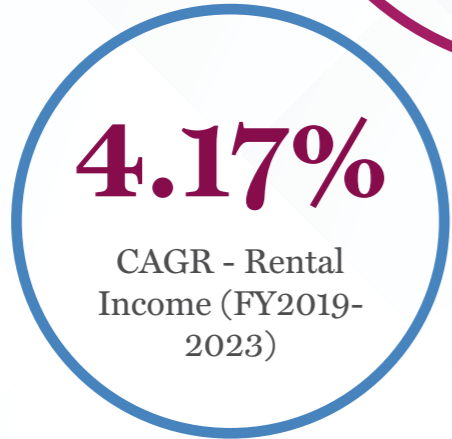
**27,090 mn.**

Book value of real estate



# BARWA AT GLANCE CONTD...

## | OUR FINANCIAL STRENGTH



\*BUA Built-up area

## | WHAT WE HAVE ACCOMPLISHED

Balanced Product Mix  
Resulting in a stable yield

Landbank of  
1.95 mn. sqm  
in Qatar, 46% owned

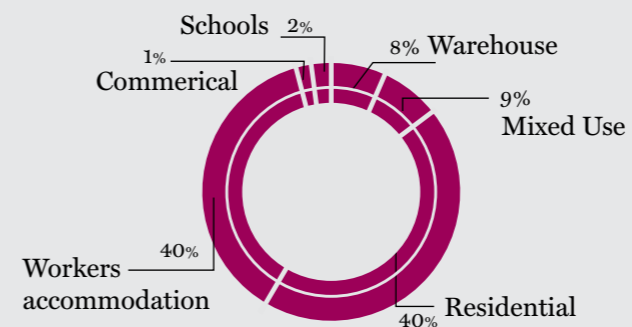
Net debt:Equity mix of  
58%

QR 7,86 billion  
Dividend distributed for  
years 2014 to 2023

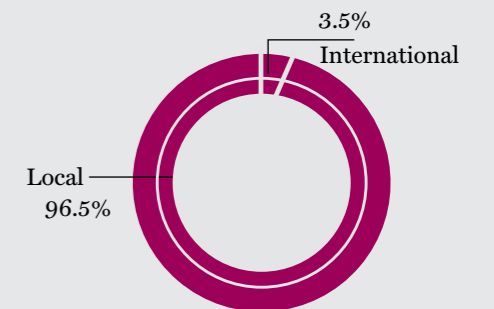
Leadership  
in affordable housing

14,069  
Total number of residential units  
55,129  
Workers rooms

Balanced Portfolio Of Assets (BUA distribution)

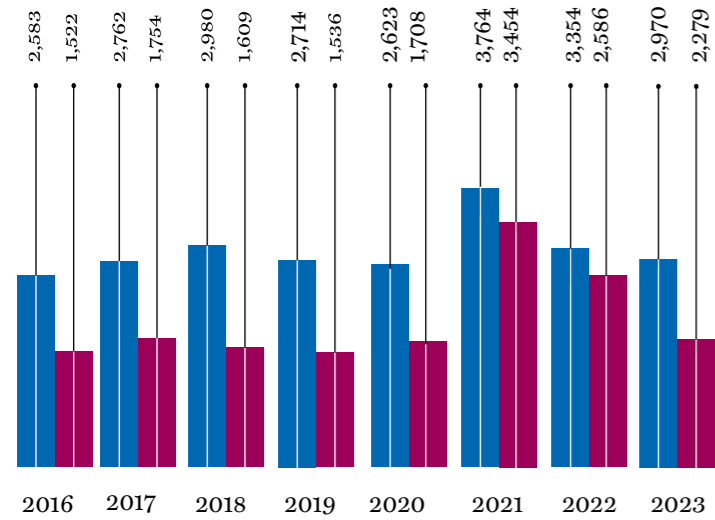


Land Bank

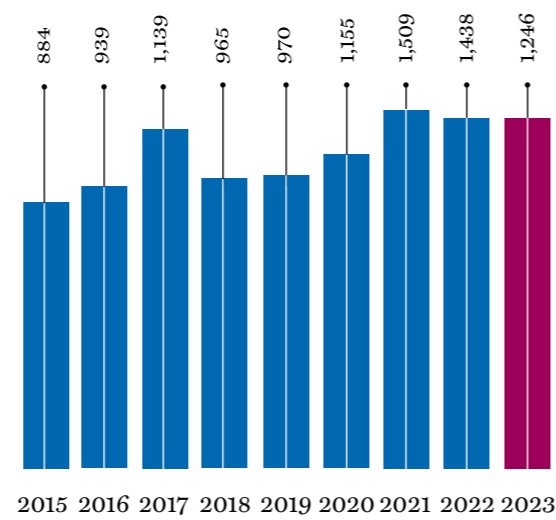


# FINANCIAL HIGHLIGHTS

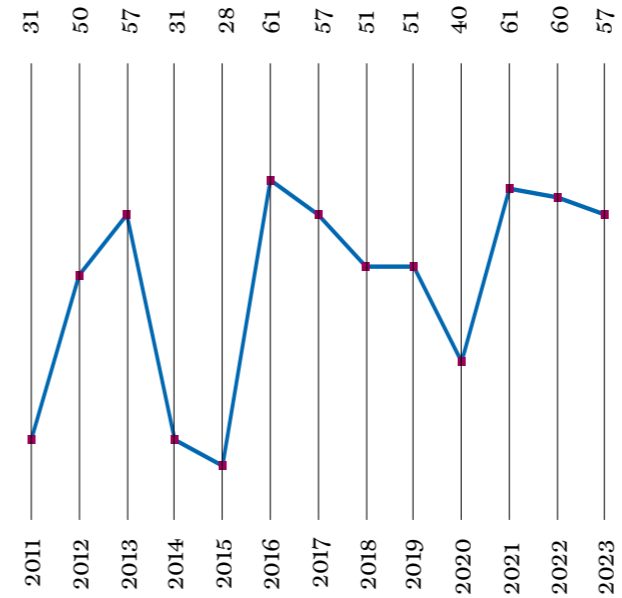
■ Total Income ■ Operating Revenue



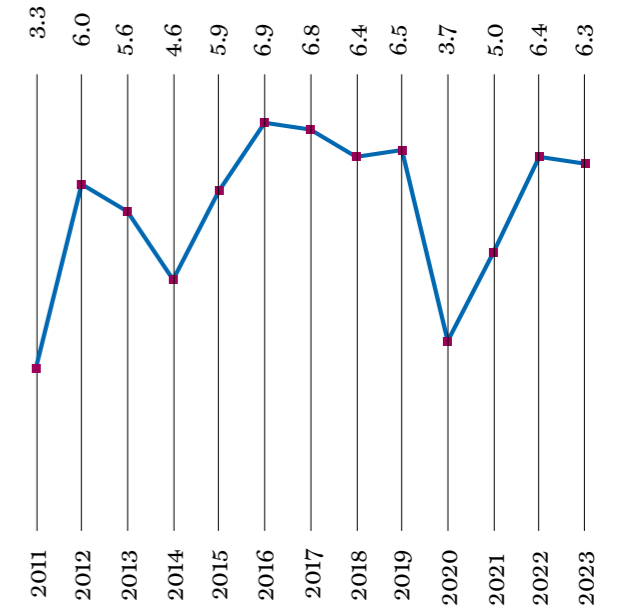
TOTAL INCOME AND OPERATING REVENUE  
QR in Million



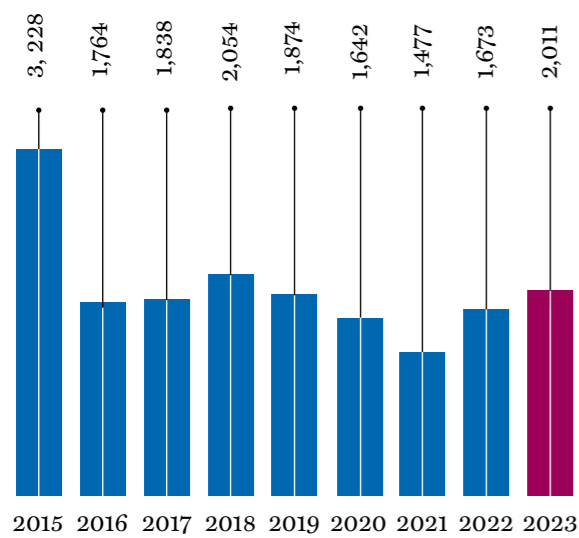
OPERATING PROFIT  
QR in Million



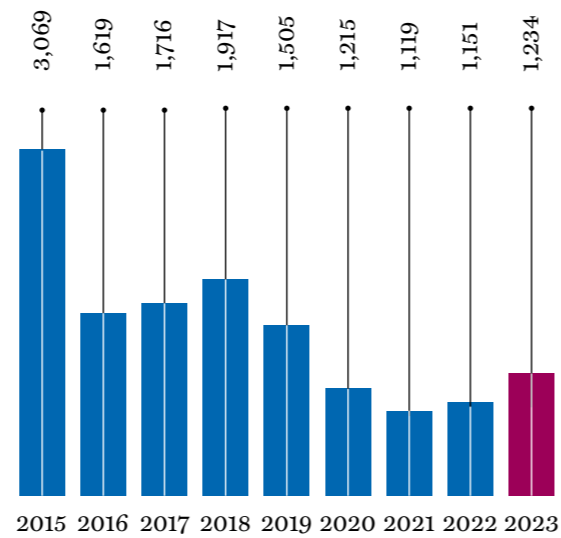
DIVIDEND PAYOUT RATIO | (%)



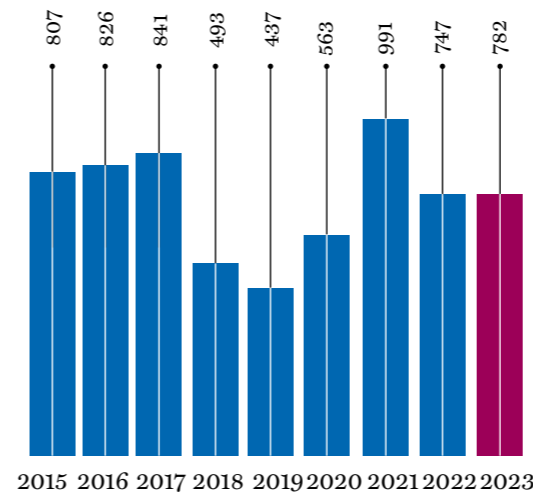
DIVIDEND YIELD | (%)



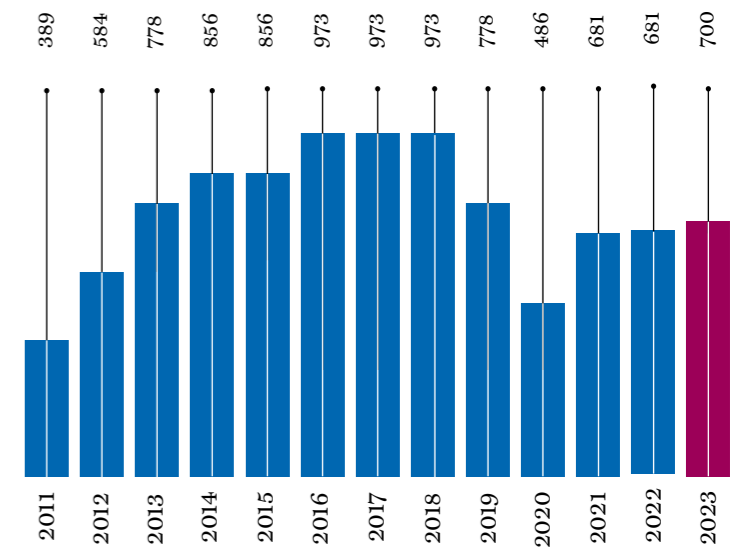
EBITDA  
QR in Million



PROFIT AFTER TAX  
QR in Million



RECURRING CASH PROFITS  
QR in Million



DIVIDENDS  
QR in Million



# WHAT WE DO

This is how we allocate our capitals to create value. Our ability to generate value is dependent on our access to five different capitals: portfolio; funding; relationships; team; and sustainability.

## INPUTS

### PORTFOLIO CAPITAL

The Company's investment property portfolio:

- **QR 27,090 million** completed Properties
- **QR 1,072 million** Properties under development
- **2.02 million square meters** land bank available

### FUNDING CAPITAL

Effective capital management:

- **Share Capital of QR 3,891 million**
- **QR 13,615 million** of outstanding debt
- **QR 12,583 million** of net debt
- **0.58** Net Debt to Equity Ratio
- Recurring cash flows in form of rental income

### SUSTAINABLE CAPITAL

To make positive difference:

- Investing in communities in which it operates
- Use of natural resources in a responsible and effective manner

### RELATIONSHIPS CAPITAL

Value created with stakeholders:

- Close working relationship with development partners in invested markets
- Investor confidence established through regular communications
- Engagement with local communities and Governments

### TEAM CAPITAL

Knowledge and expertise of our team:

- Skilled diversified Board
- Talented people
- Continued investment in established systems and processes.
- Strong corporate governance

## OPERATIONAL FRAMEWORK

### AQUIRE



The Company's strategy is to grow the income in a sustainable manner. To enable this, the Company sources the best opportunities in its invested markets. A robust appraisal process facilitates effective allocation of resources to acquire accretive property.

### DEVELOP



Through active engagement with tenants and communities, the Company develops properties to meet the needs of prospective tenants and their customers.

### MANAGE



The Company actively manages the investment portfolio to maximize shareholders returns.

### Optimise



The company optimises the allocation of capital by mature assets where value has been extracted and redeployed into opportunities for growth.

## OUTPUTS

### OUTCOMES

### TRADE OFFS

#### PORTFOLIO CAPITAL

The Company's updated strategy focuses on active asset management to ensure maximized returns from existing portfolio while also developing new opportunities.

#### PORTFOLIO CAPITAL

The Company's property portfolio has a long-term investment horizon. Strong investment discipline is required to mitigate the risk of sacrificing long-term growth for shorter-term distribution growth targets.

#### FUNDING CAPITAL

Barwa's strong balance sheet gives sufficient room for levered growth with prudent gearing. During the year, the Company took QR 2,193 million additional debt, and repaid QR 5,092 million. The decrease in debt has resulted in a drop in the net debt to equity ratio to 0.58 from 0.73. The Company achieved distributable earnings per share for the year of QR 0.316, compared to QR 0.292 in the previous year. A distribution of QR 0.18 per share was declared in relation to the earnings for the year.

#### FUNDING CAPITAL

Investment in team and relationships capital can impact the funding capital and distribution to shareholders in the short term but has a positive impact in the long term.

#### RELATIONSHIPS CAPITAL

Stakeholder communication is vital for active stakeholder engagement, which is fundamental to the Company's ability to create long-lasting relationships. During the year the Company interacted with various institutional investors, availed quarterly result update conference calls and with the help of proactive and dedicated Investor Relations team it also interacted with analysts whenever required.

#### RELATIONSHIPS CAPITAL

The investment in the Company's relationships capital allocates time from the other capitals and has a negative impact on the funding capital. In the long term, there is a positive impact on the other capitals.

#### TEAM CAPITAL

The Company has established a strong team with extensive knowledge and experience across its invested markets. Throughout the year, several initiatives were completed to enhance, attract, motivate and retain the team. The Company has robust and reliable processes and operating systems in place.

#### TEAM CAPITAL

Investing in the Company's people is imperative to generate sustainable and long-term growth. Investing in the Company's systems and processes has a negative impact on funding capital in the short term. However, once implemented, there is a positive impact, improving the quality of information and increasing efficiency and staff morale.

#### SUSTAINABLE CAPITAL

The Company recognizes the importance of using natural resources responsibly and efficiently to ensure they are sustainable for the environment. Also, it recognizes the importance of investing in the communities in which it operates, and it is at the heart of all its capitals.

#### SUSTAINABLE CAPITAL

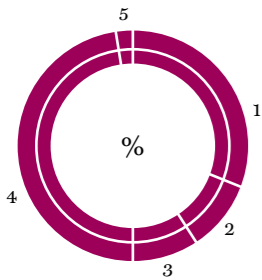
Investing in sustainable solutions increases our sustainable capital but has an impact on funding capital in short to medium term. Through efficiencies and renewable sources of energy, there is a positive impact of financial capital in the long term.

# WHERE WE DO IT

Our portfolio is concentrated in areas expected to benefit from strong occupier demand with limited supply of competing products.

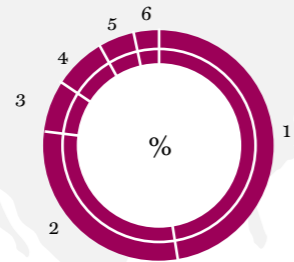
## ▶ LOCAL (QATAR) PORTFOLIO BY BUILT UP AREA (SQUARE METERS)

Barwa Real Estate Company



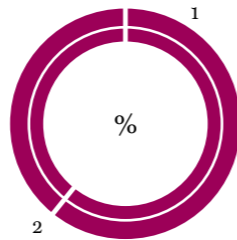
1. Residential	32%
2. Mixed Use	11%
3. Warehouse	10%
4. Labor Accomodation	45%
5. School Package 1	2%

Residential Total BUA



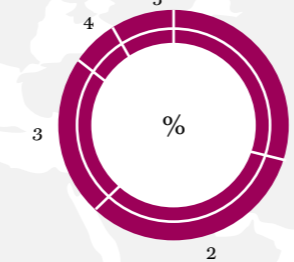
1. Madinatna	49%
2. Al Khor Community	30%
3. Masaken Al Sailiya	7%
4. Masaken Mesameer	7%
5. Al Khor Shell	4%
6. Others	3%

Industrial Total BUA



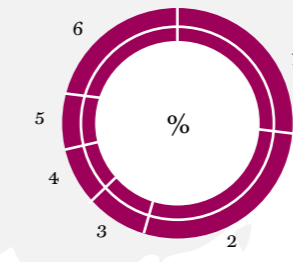
1. Umm Shaharian Warehouses	59%
2. Al Baraha Workshops & Storages	41%

Workers Accomodation Total BUA



1. Argentina Neighborhood	35%
2. Mukaynis Compound	34%
3. Barwa Al Baraha	23%
4. Alkhor Recreation	3%
5. Others	5%

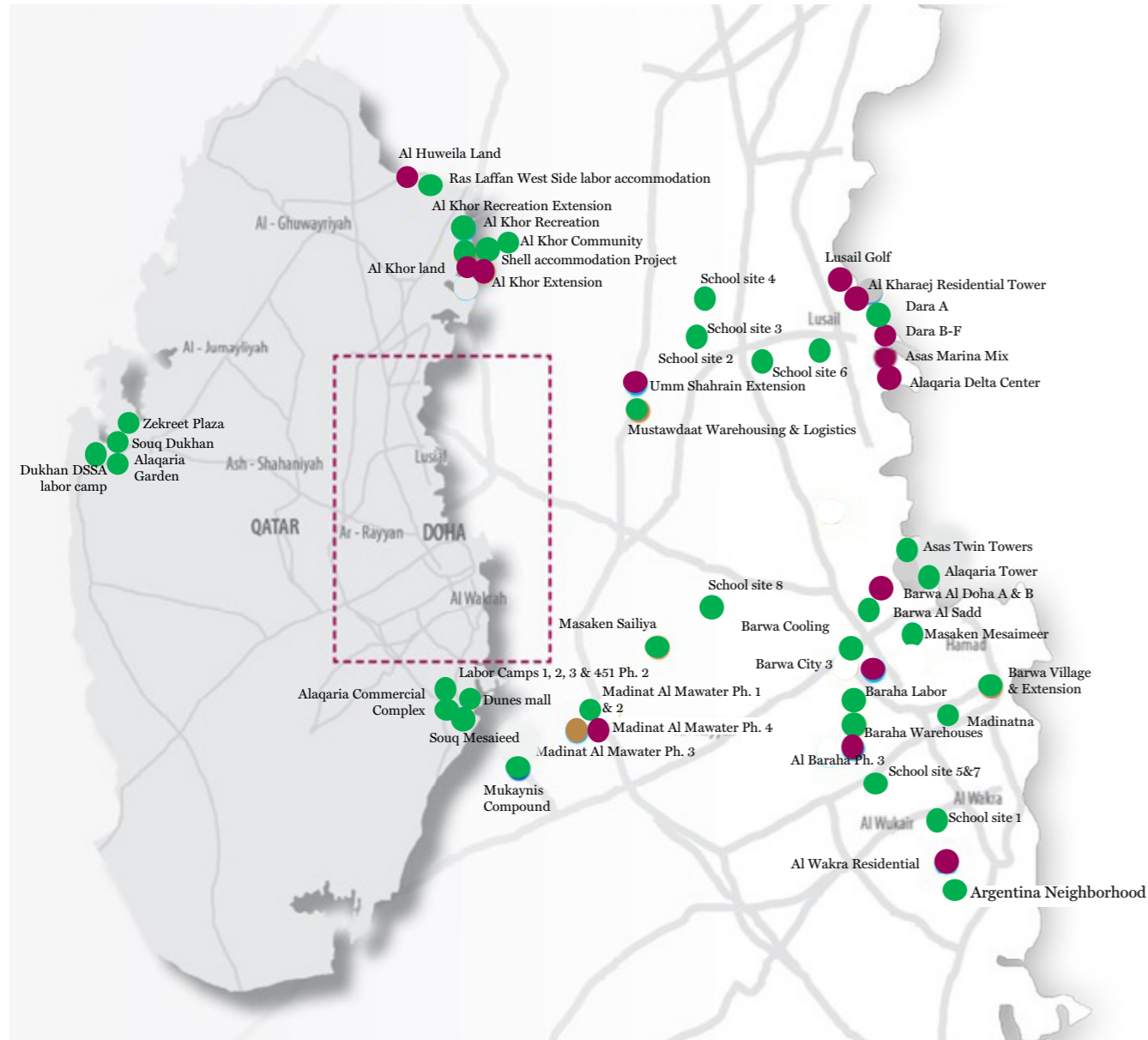
Mixed Use & Commercial Total BUA



1. Barwa Al Sadd	36%
2. Barwa Village	34%
3. Barwa Village Extension	6%
4. Madinat Mawater (Phase1)	5%
5. Madinat Mawater (Phase2)	5%
6. Others	13%

# WHERE WE DO IT CONTD...

## ► BARWA'S GEOGRAPHICAL FOOTPRINT



### IN-PROGRESS

#### Madinat Al Mawater Phase 3



### LAND BANK

#### Al Wakra Residential

#### Barwa Al Doha-A & B

#### Dara B-F

#### Umm Shahrain Extension

#### Barwa City 3

#### Barwa Al Baraha Ph 3

#### Asas Marina Mix

#### Al Kharaj Residential Tower

#### Alaqaria Delta Center

#### Al Khor land

#### Al Khor Extension

#### Al Huwaila land

#### Madinat Al Mawater Phase 4



### OPERATIONAL PROJECTS

#### Argentina Neighborhood

Asas Twin Towers

Barwa Al Sadd

Alaqaria Tower

Barwa Cooling

Masaken Mesaimmer

Barwa Village & Extension

Barwa Al Baraha  
Workers Accommodation

Souq Mesaieed

Al Baraha  
Workshops & Storages

Madinat Mawater Phase 2 & 1

Masaken Al Sailiya

Umm Shahrain Warehouses

Dunes mall

Alaqaria Commercial Complex

Mesaieed Villages

Alaqaria Garden

Dukhan DSSA Workers Accommodation

Souq Dukhan

Zekreet Plaza

Ras Laffan work accommodation

Al Khor Workers Sports  
Complex Extension

Al Khor Workers Sports Complex

Al Khor Community

Barwa Al Khor - Shell Staff Housing

#### Madinatna





# BOARD OF DIRECTORS REPORT



**HIS EXCELLENCY ABDULLAH BIN HAMAD AL ATTIYAH**  
CHAIRMAN OF THE BOARD OF DIRECTORS

Since our inception, we have proven to be a dynamic and influential contributor to the development of Qatar. Throughout our evolution, we have been in sync with the Qatar national vision 2030, and we are working towards building projects that could address the real demands of the marketplace.

QR  
**1,229 mn.**  
Net profit

QR  
**1,799 mn.**  
Total recurring operating income

QR  
**38 bn.**  
Total assets

**2.02 mn.sq. m.**  
Total Land Bank

QR  
**0.316**  
Earnings per share

*Esteemed Shareholders of Barwa Real Estate Company,*

*In the name of Allah, the Most Gracious, the Most Merciful,*

On behalf of myself and the esteemed members of the Board of Directors of Barwa Real Estate Company, I am pleased to present to you a report on the key performance highlights and achievements of the company, along with its consolidated financial statements for the financial year 2023, in addition to the future plans for the year 2024.

2023 has been a fruitful year for our national economy, as it continued to grow steadily, driven by positive developments in various sectors, including the real estate sector, which maintained its position as the second-highest growing sector after the energy sector. This has contributed to enhancing economic diversity and comprehensive growth. In light of this positive economic growth, Barwa Real Estate Group has been able to achieve outstanding results, thanks to its successful strategies and its ability to adapt to local and global economic changes. The Group has strengthened its position in the market by developing innovative and diverse real estate projects that meet the needs of all segments of society, while maintaining its commitment to global standards and quality.

With a record full of achievements year after year, the year 2023 brought new distinctive marks to the local real estate market, allowing Barwa Real Estate Group to maintain its leadership in the Qatari market. This required all of us to put forth our efforts, knowledge, and experience more than ever to fulfill our duties in supporting the country's needs to preserve the legacy of organizing the 2022 World Cup. Barwa Real Estate Group has managed to maintain its leading national position in real

estate development and contribute to shaping the real estate legacy of this major global event. The group's new projects in Al Wakrah, "Madinatna and the Argentine Neighborhood," witnessed great interest from World Cup fans. After the events, leasing operations for individuals and companies began, and both projects saw a significant demand from tenants despite being newly introduced to the market. Madinatna project recorded a high demand from families due to its unique features that attract this segment, while the Argentine Neighborhood project attracted a large number of companies seeking its high quality and international standards as worker housing.

Our success reflects the tremendous efforts made by our team, which is a key element in all the achievements that have contributed to the development of a balanced mix of multiple real estate projects. This confirms the group's position as a developer of the largest strategic real estate projects in the country, and reflects its vital role in supporting national economic growth projects and diversifying its sources to achieve sustainable development and realize Qatar's National Vision 2030. We will continue to commit to supporting the achievement of this vision and contributing to the development of our society and country.

We thank our shareholders for their trust and continuous support, and we look forward to further successes and outstanding achievements for Barwa Real Estate Group to be a distinguished synonym for the development, operation, and management of real estate assets. This aims to increase shareholders' rights, balance the group's asset portfolio, and consolidate the principle of strategic partnership with the government of the State of Qatar.

## FINANCIAL PERFORMANCE OF THE COMPANY

The financial data showed a net profit attributable to the parent company's shareholders of QAR 1.229 billion, with an earnings per share of QAR 0.32, an increase of 8% from 2022.

The group's total assets amounted to QAR 37.5 billion, while the total equity of the parent company's shareholders reached QAR 21.8 billion.

As a result of the group's success in developing a balanced real estate portfolio, Barwa strengthened its rental revenues and achieved rental income of QAR 1.447 billion, reflecting the level of planning and effort exerted at all levels within the group to enhance sustainable growth of operating revenues.

The group also succeeded in achieving profits from rentals, service revenues, property sales, and investments amounting to QAR 1.736 billion.

The company also managed to rationalize its various expenses, such as a 1.4% decrease in general and administrative expenses. During the year, the group announced the sale of a plot of land in Lusail City for a sale price of QAR 6.3 billion, resulting in a profit from the sale of QAR 471 million. The group received QAR 3.6 billion from the sale price during 2023, which was fully used to expedite the repayment of a portion of the group's financing, contributing to reducing financing expenses. The group's consolidated cash balance amounted to QAR 1.032 billion as of December 31, 2023, a good balance that helps the group meet its obligations and supports its development and growth plans.

The group also ensures effective management of its financing portfolio by repaying a portion of the financing, refinancing, and



# BOARD OF DIRECTORS REPORT

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improving the terms of the remaining financing, which helps reduce financing costs and supports the group's cash flows.

Based on the financial performance, cash position, and future development plans of the company, the Board of Directors of Barwa Real Estate Company recommended to the General Assembly of Shareholders the distribution of a cash dividend at a rate of 18% (QAR 0.18 per share).

## THE COMPANY'S PERFORMANCE AND ACHIEVEMENTS DURING 2023

One of Barwa Real Estate Group's key objectives is to develop a balanced and diversified real estate portfolio that can withstand market fluctuations while meeting the needs of the market and supporting the country's development plans, all while considering social responsibility. This portfolio is designed to add value to the company's assets, enhance their returns, and contribute to sustainable revenues for our shareholders. In 2023, Barwa achieved multiple accomplishments in development, operation, and institutional aspects, demonstrating our ability to achieve our strategic objectives and contribute effectively to the growth and development of Qatar's real estate sector.

## HERE ARE SOME OF THE KEY ACHIEVEMENTS OF THE FINANCIAL YEAR 2023:

### *Madinatna Project*

We continue to operate and lease the "Madinatna" project, one of our recent achievements. The project played a crucial role in hosting the FIFA World Cup Qatar 2022, offering an exceptional residential experience to the tournament's visitors. It effectively met the needs of the major event, attracting significant demand from clients for renting its residential units and commercial facilities. "Madinatna" exemplifies integrated residential communities, providing modern housing at competitive prices for families, as part of our efforts to support sustainable growth and achieve returns on investment for our shareholders.

Madinatna project accommodates approximately 36,000 residents, spanning an area of over 1.149 million square meters. It includes 339 buildings with 6,780 diverse residential units, including 4,740 three-bedroom apartments and 2,040 two-bedroom apartments, along with all facilities meeting the project's community needs, such as commercial and service units, spacious outdoor

areas for walkways, and parking spaces.

### *Argentine Neighborhood*

The name "Argentinian Neighborhood" was chosen for Barahat Al Janoub's project, as part of our efforts to contribute to enforcing the legacy of hosting the FIFA World Cup Qatar 2022. This project represents a symbol of hospitality and excellence, providing a distinctive residential experience for the tournament's visitors, especially the Argentinian fans. The "Argentinian Neighborhood" played a significant role in supporting Qatar's objectives in organizing a world-class football tournament befitting its reputation and status as a hosting nation.

The Argentine Neighborhood has attracted considerable interest, particularly as it exemplifies the integration of modern technology with cultural heritage. The Neighborhood comprises 1,404 residential units, each containing 12 rooms, totaling 16,848 rooms dedicated to workers. It distinguishes itself by providing all essential services and amenities, including mosques, markets, substations, facilities for government and private companies, as well as a sewage treatment plant. The project covers an area of 754,674 square meters, including green spaces, walkways, and parking lots.

### *Qatar Schools Development and Operation Project (First Package)*

As part of our ongoing contributions to developing the educational infrastructure in Qatar, we have successfully delivered eight government schools under Qatar Schools Project (First Package), which were operational at the beginning of the academic year 2022-2023. Workshops were conducted to familiarize and train administrative and scientific staff at the Ministry of Education and Higher Education on the facilities of these schools, through Waseef, a subsidiary of Barwa Real Estate Group responsible for project maintenance.

This project represents a real legacy for future generations, supporting the country's position in the field of education globally and reflecting our commitment to developing high-quality educational facilities for the nation's sons and daughters. Qatar Schools project is distinguished as the first project in the country to be implemented through a partnership between the public and private sectors, representing a significant step in our

strategic direction towards diversifying our investments. This project adds value and positive diversity to the real estate portfolio of Barwa Group, as our responsibilities include providing maintenance services for these schools for a period of 25 years. This long-term investment achieves good profit rates for our shareholders, given the lengthy duration of the quarter-century contract. This step confirms the success of our strategy in achieving sustainable returns and enhancing our leading position in the real estate market.

### *Third Phase of the Madinat Al Mawater Development Project*

Following the success of the first and second phases of Madinat Al Mawater, developed in 2017 and 2018 respectively, Barwa Real Estate has made significant progress in developing the third phase of this pioneering project. The third phase covers an area of approximately 340,000 square meters. The group has completed all construction work to develop a specialized car services center as the first part of this phase. The completion rate in the second part of the third phase has reached around 78%. It includes 118 showrooms for used cars ranging from 400 to 1,000 square meters, 352 apartments ranging from one to two bedrooms, in addition to 121 multi-space offices, 100 commercial shops, 10 car maintenance workshops, and 4 car wash stations. Other facilities include restaurants, a hypermarket, a mosque, an auto parts sales center, and a showroom for one of the car agencies. The construction work for this phase is expected to be completed by the fourth quarter of 2024.

## OPERATIONAL REAL ESTATE PORTFOLIO

The group's operational real estate portfolio is characterized by diversity, allowing it to confront any challenges facing the real estate market. The group achieved total rental income of QAR 1.447 billion in 2023, reflecting the financial and operational strength of the group.

The company's operational real estate portfolio includes:

- 14,069 residential units
- Over 55,129 residential rooms for workers
- Over 340,000 square meters of commercial shops, showrooms, and offices
- 444,738 square meters allocated for workshops and warehouses
- 232 hotel rooms

Regarding the average occupancy rate, it exceeded 90% in many of Barwa Real Estate's residential projects during 2023.

## LAND INVENTORY

One of the prominent aspects of Barwa Real Estate Group's assets is its large inventory of undeveloped land, which gives us a strong competitive advantage and opens up broad prospects for growth and expansion. The options for utilizing this land are diverse, whether through direct sale, development for sale, or even conversion into long-term rental projects.

## SUBSIDIARY COMPANIES

Barwa Group is characterized by the presence of many subsidiary companies aimed at achieving integration in all activities necessary for real estate development and asset management, as well as enhancing added value within the group. Among the most important of these companies are:

### *Firstly: Waseef Asset Management Company (Waseef):*

One of the largest integrated asset management, real estate, and facilities management companies in Qatar, offering comprehensive services and complete service solutions to its clients.

In addition to managing all local real estate projects for Barwa Group, Waseef also manages many projects and serves many clients outside the group, such as:

- Ministry of Education and Higher Education.
- Ministry of Finance.
- Lusail Real Estate Development Company.
- Economic Zones Project - Manateq.
- Msheireb Properties Company.
- Commercial Street Project.

### *Secondly: Qatar Project Management Company:*

The company offers a comprehensive range of project management services, including program development and management, claims management and settlement, project monitoring, health and safety management, cost management, feasibility studies management, risk management, and environmental management.

In addition to its contribution to managing projects

# BOARD OF DIRECTORS REPORT

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under development within the group, Qatar Project Management Company provides its services to many other clients within and outside the country.

### **Thirdly: Shaza Hotels Management Company:**

A company that manages Sharia-compliant five-star hotels “Shaza” and four-star hotels “Misk.” The company currently manages several hotels in Qatar, Saudi Arabia, Oman, and the United Arab Emirates.

## **INSTITUTIONAL SYSTEM**

Despite the significant operational development and project development witnessed in 2023, Barwa has not overlooked the institutional aspect and performance improvement. Barwa always seeks to review its institutional system and continuously work on its renewal to enhance integrity, transparency, and support performance development. During 2023, Barwa achieved many institutional achievements, including:

### **1. Project Management and Development:**

The company worked during the year to develop methodologies and concepts of project management by contracting with the largest experienced firms in this field.

Providing new projects with modern technological techniques in accordance with the joint cooperation agreement with Huawei, supporting the direction to enhance the application of sustainable energy and smart cities.

### **2. International Adoption of ISO Standards:**

Confirming Barwa Real Estate’s leadership locally and regionally, the group continued to exceed external audits and obtain three international accreditation certificates, complying with all requirements of the International Organization for Standardization (ISO) in the areas of management, environment, and occupational health and safety. This confirms the company’s ability to develop and implement an integrated management system that complies with global standards and measures.

These certifications demonstrate Barwa Real Estate’s commitment to adhering to the highest quality standards and providing best practices that meet global standards in an integrated management system covering all aspects that support its strategy aimed at enhancing the quality of its projects and the level of services provided, ensuring continuous improvement of its institutional performance.

### **3. Digital Transformation:**

Implementing Fusion applications in the Oracle Cloud to automate support office operations within the group and build a strong administrative base covering human resources management, financial management, and supply chain management. This step comes within the framework of Barwa Real Estate’s strategy based on adopting technological solutions to modernize its operations, to achieve comprehensive digital transformation. Fusion applications will support the group’s rapid business growth by automating its operations, making it easier for employees to use, enhancing its competitiveness, improving productivity, and digitally supporting and empowering its workforce.

## **GOVERNANCE, SYSTEMS, RISK MANAGEMENT, AND INTERNAL CONTROL**

Based on its vision and core values of leadership, commitment, credibility, teamwork, and integrity, Barwa Real Estate is committed to the principles of governance and strives to achieve the highest global standards and apply the best international practices in the field of governance.

Barwa Real Estate adopts the highest standards of disclosure and transparency within the framework of sound governance that aligns with the company’s business and activities, in accordance with the surrounding developments. The company is committed to providing accurate, comprehensive, and up-to-date information to shareholders within its transparency-based framework.

Barwa Real Estate emphasizes the importance of enhancing and promoting a culture of integrity, transparency, and clarity in its business and administrative dealings, ensuring the highest levels of compliance with the Corporate Governance Code applicable to companies listed on the main market, under the supervision of Qatar Financial Markets Authority.

Corporate governance is considered by Barwa Real Estate as one of the most important pillars that form the guiding framework for its operational and administrative activities and policies for dealing with all stakeholders. In line with this vision, the Board of Directors, through delegating authorities to the executive management, seeks to accelerate the pace of business operations, eliminate complexities, and ensure the highest levels of operational efficiency that serve the company’s projects, investments, and benefit its shareholders. Additionally, the risk management policy plays a crucial role in establishing suitable frameworks for managing projects and investments effectively, while controlling relevant legal, operational, and economic risks.

The company also implements an internal control system, which aims to establish reliable standards and systems containing internal control measures. These measures ensure the accuracy and credibility of Barwa’s accounts and records, the safety of transaction licenses, and the protection of the company’s assets. They also ensure the detection of any risks threatening the company’s position and help in compliance with regulations and systems, in order to set things right.

## **OUR HUMAN CAPITAL IS THE CORE OF OUR SUCCESS**

One of the company’s most important principles is the respect and appreciation for its employees, providing them with the best support, prioritizing their health and safety, and providing essential training and development programs. Additionally, we invest in technologies that enable our employees to perform their work more flexibly, encouraging diversity and inclusivity throughout the company.

## **OUR RESPONSIBILITY TOWARDS THE COMMUNITY**

Barwa Real Estate Group is committed to its social responsibilities in a very serious manner, promoting community development in all aspects of its business, adopting sound environmental policies. The group has gained community appreciation due to the inclusivity of its projects and its consideration of all social dimensions that embrace sustainable concepts. This stems from its architectural philosophy in building real estate cities and communities that go beyond the traditional concept of property construction, offering solutions that support quality of life and decent living, meeting the requirements of various social segments, including families and workers, at competitive prices. This concept is integrated with the group’s business strategy to create a more suitable community environment for everyone by integrating its investments to include residential, commercial, logistical projects, and educational institutions, embodying the true meaning of sustainable cities.

In the field of security and safety, Barwa Real Estate provides the highest levels of security and safety in all its projects in accordance with the standards applicable in the country, in cooperation with the Civil Defense Administration of the Ministry of Interior. The group provides its tenants and residents with security services with trained guards and 24-hour CCTV surveillance cameras. The group has also installed firefighting systems in all its projects to reduce any fire-related incidents. These systems are applied in the subsidiaries of Barwa Real Estate. The group collaborates with the Civil Defense in conducting evacuation drills for its towers and projects routinely to ensure security and safety procedures and to ensure the safety of employees and residents.



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Regarding environmental support, Barwa Real Estate Group is committed to protecting and preserving the environment. This is evident in the significant emphasis placed on developing its projects, particularly in projects like “Madinatna and the Argentine Neighborhood”. These projects have been equipped with modern techniques to conserve water and electricity. Additionally, treated water is used for irrigating green spaces, which contributes to supporting environmental conservation. The group has also utilized the latest smart technology related to communication systems and information technology to optimize energy consumption. These efforts reinforce the concept of smart cities, ensuring that beneficiaries of these projects enjoy sustainable living environments according to the highest standards and specifications. This is done with the aim of increasing the group’s contribution to developing a more sustainable society, in line with the objectives of Qatar’s National Vision 2030.

In terms of supporting local manufacturing, Barwa Real Estate Group provides a model to be emulated in supporting the private sector. This is achieved through supporting local manufacturing by using large quantities of construction materials and finishes in its projects that are manufactured in Qatar and meet international standards. This is done to support local companies, in addition to contracting with national companies in the development of projects, enriching the investment thinking of private sector companies in building sustainable cities.

Regarding community and humanitarian initiatives, Barwa Real Estate Group is committed to actively contributing to the development of affordable and high-quality housing solutions that meet all the requirements and aspirations of beneficiaries. This is done through Barwa Village, Msheireb Residences, and Al Saliya Residences.

Barwa Real Estate Group continues to organize blood donation campaigns in collaboration with Hamad Medical Corporation at Barwa Al-Sadd Towers to support the blood bank with the resources it needs.

Additionally, Barwa Real Estate Group donated one million Qatari Riyals to support the brothers in the Gaza Strip, for the benefit of the “Palestine Duty” relief campaign launched by the Regulatory Authority for Charitable Activities in partnership with Qatar Red Crescent, Qatar Charity, and in cooperation with Qatari

Media Foundation, to help those affected in Gaza Strip. In addition to the donation of 100,000 Qatari Riyals to Qatar Red Crescent dedicated to “For Palestine” campaign, as well as the provision of 100 blankets through the group’s subsidiary, Waseef, to Qatar Red Crescent for Palestine. These contributions stem from the group’s humanitarian responsibility in the context of Qatar’s supportive stance towards the Palestinian people, to provide relief to the victims of the aggression on Gaza Strip, especially the injured, orphans, widows, elderly, pregnant women, and children.

On the front of supporting national expertise, as part of the efforts made by Barwa Real Estate Group in developing sustainable cities that meet the needs of all segments of society and enhance living standards, the group has been keen on supporting Qatari expertise. This is achieved through cooperation with efficient and experienced national companies in the construction and real estate development sector.

Driven by its growing expertise in the real estate market, Barwa Real Estate Group recognizes the importance of harnessing this expertise in serving the educational process. This is done through formalizing joint cooperation with Qatar University to exchange expertise, conduct scientific research, and provide training in various fields. The group has also developed and offered a professional and field training program for engineering students from Qatar University during the year 2023, which lasted for two months. This program marks the fourth collaboration with the College of Engineering at Qatar University, during which the engineering team specialized in real estate development at Barwa Real Estate Group provided a comprehensive program of fieldwork, discussions, and intensive studies to the students.

During the program, Barwa’s engineering team acquainted students with the group’s projects and its strategies in selecting investment and development opportunities, through practical experiences including discussions, intensive studies, and fieldwork.

Regarding support for national events and major activities, Barwa Real Estate Group is steadfast in supporting and enhancing prestigious national and international events in Qatar. It adopts a vision that celebrates national identity and highlights the depth of solidarity and pride in the Qatari heritage. In this

commitment, its active participation in the National Sports Day stood out, where it excelled in organizing sports activities for its employees at “Madinatna” project, reflecting the team’s spirit and activity.

With a deep sense of responsibility towards the labor force, Barwa Real Estate Group, through its subsidiary Waseef, organizes numerous events in its labor housing projects on various occasions, guided by the values of gratitude and pride. Additionally, events are organized for Eid Al-Fitr and Eid Al-Adha in residential projects dedicated to families and workers.

In a demonstration of its leading role, Barwa Real Estate Group supported the first Real Estate Forum in Qatar as a strategic partner with a sponsorship of QAR 350,000, contributing to the advancement of the real estate sector and translating the goals of Qatar’s National Vision for economic development. Barwa also participated in Cityscape Qatar 2023, showcasing its projects “Madinatna and the Argentine Neighborhood,” attracting attention to its pioneering urban achievements.

As a token of appreciation to its employees, Barwa has collaborated with Ooredoo Telecommunications to offer special deals to its employees at its headquarters in Al Sadd.

## OUR FUTURE PLANS FOR 2024

The invaluable trust of our esteemed shareholders obliges us to continue giving our utmost effort and expertise to preserve the company’s achievements throughout its journey. Regarding the year 2024, we have developed a clear strategic plan meticulously crafted to outline all broad lines of action, on several axes representing the fundamental pillars of the company’s direction for the upcoming phase, as follows:

### ***The first axis: Increasing Revenues***

The company aims to achieve sustainable revenue growth and shareholder returns by realizing a balanced mix of operational projects that meet the needs of the real estate market while being associated with minimal possible risks. In the short and medium term, we aim to increase occupancy rates in new real estate projects (Madinatna) and (Argentine Neighborhood), as well as benefit from the operation revenues and maintenance services of the Qatar Schools project (Phase One) for 25 years. In the long term, we believe that Qatar’s National Vision 2030

will be the primary driver for long-term growth.

### ***During the year 2024, we aim to:***

1. Study and work on general plans and feasibility studies for several new projects on the company’s existing lands, such as:
  - Marina Land in Lusail City.
  - Mesaimmeer Area Land.
  - Jabal Thuaileb Land in Lusail City.
  - Study other available lands within the group.
2. Work on benefiting from new legal and economic regulations, as the real estate market in Qatar has witnessed significant development after the issuance of Cabinet Decision No. 28 of 2020, which specifies the areas where non-Qataris are allowed to own and benefit from properties, and the conditions, regulations, benefits, and procedures for their ownership and enjoyment. The areas covered by the decision include the Lusail area, where the majority of the company’s land inventory is located.
3. Enhance the level of strategic partnership with the public sector and the wise government to meet the needs of the real estate sector by participating in tenders issued by the Public Works Authority “Ashghal,” to develop various real estate projects according to the Public-Private Partnership Law. Additionally, the company continues to focus on developing developmental real estate projects that meet the needs of citizens and residents, contributing to the achievement of Qatar’s National Vision 2030, in line with Barwa Real Estate’s role as a leading national company in the real estate development field.
4. Study and develop appropriate investment solutions for the group’s financial investments.

# BOARD OF DIRECTORS REPORT CONTD...

## ***The second axis: Cost Optimization:***

The company will continue during the year 2024 to study available ways to optimize operational, administrative, and also financial expenses to ensure maximum benefit from these expenses and to determine the possibility of reducing these expenses without affecting the quality of projects and services provided.

## ***The third axis: Enhancing the Company's Brand and Improving the Institutional System Efficiency:***

Barwa always aims to improve the satisfaction of shareholders and customers with its performance by providing the best quality services at competitive prices that satisfy the aspirations and expectations of customers. Additionally, the company will continue to contribute to national and social initiatives.

Our esteemed shareholders, we assure you that as a board of directors, executive management, and all employees of the company, we are exerting our utmost effort to be worthy of the trust you have placed in us. We are committed to achieving the desired goals towards sustainable growth and developing profitable returns for the company's shareholders.

In conclusion, I would like to take this opportunity to express our sincere thanks and deep appreciation for the support of the wise leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar – may Allah protect him – and His Highness Sheikh Abdullah bin Hamad Al Thani, the Deputy Amir. We also extend our thanks and gratitude to His Excellency Sheikh Mohammed bin Abdulrahman Al Thani, the Prime Minister and Minister of Foreign Affairs, for his diligent efforts. We also express our appreciation to the shareholders and employees of the company for their continuous support, praying to Allah Almighty for continued success for all of us in achieving our goals aimed at achieving the good of the nation and its citizens, and serving Qatar's National Vision 2030.

**His Excellency Abdullah bin Hamad Al Attiyah**  
Chairman of the Board of Directors



# SIX COMPELLING REASONS TO INVEST IN BARWA

Barwa is a highly focused company, singularly aligned to Qatar's real estate marketplace, predominantly in the retail and residential sectors.

Over the years, Barwa has proven to be a dynamic and influential contributor to the development of Qatar. We have been pioneers and leaders in addressing the requirements of the country's developmental projects. This is our national vision, which we work hard to bring to life. We began our strategic partnership with the Government of Qatar to build projects with a purpose to bridge critical gaps in the economy. Over the years, we have developed unique and unprecedented projects that directly impact the public needs and our national ambition.

## 1. PRESENCE ACROSS REAL ESTATE ECOSYSTEM

Our portfolio comprises of commercial properties including offices, retail units, warehouses and workshops to support the industrial sector in Qatar. We also offer an affordable housing solution for thousands of lower to mid-income residents and their families. Additionally, we have a significant presence in the workers accommodation segment. Barwa's presence in all these asset classes allow us to straddle across the entire real estate ecosystem that makes economic growth possible.

## 2. BALANCED PORTFOLIO MIX OF OPERATIONAL ASSETS

We use conservative principles of asset allocation to manage the risk of the overall portfolio, whilst attempting to maximize the potential returns.

With a variety of assets in residential, retail, commercial and storage realty, the spread of our holdings allows us to average out opposing economic cycles between each segment.

- 14,069 residential units and 55,129 accommodation rooms for workers
- More than around 346,000 square meters of shops, showrooms and offices
- 448,053 square meters are designated for workshops and warehouses
- 232 hotel rooms

## 3. INHERENT STRENGTH BUILT OVER TIME

Barwa is a well-recognized brand and a market leader. Our Brand is built on the strength of excellent cost control; scale of operations; and the strong credibility in our ability to successfully execute complex and large projects. Going forward, the brand equity of our company will only be further bolstered through a wider range of asset classes.

Today, we own 5.5 mn sqm. built-up area under operation

Land Bank 2.02 mn sq.m (1.95 mn sqm in Qatar).

## 4. RECURRING REVENUE AND PROFITS

Barwa's business strategy demonstrates reliable revenue streams. Because of this, we are more predictable than many of our peers. We are in a position to forecast revenue months in advance and create budgets and capital obligations with a higher degree of certainty. Our recurring revenue streams also serve as a buffer to counter income fluctuations. As a result, we are considered less risky and with more opportunities for growth, especially if we continue to grow our recurring revenues in the future.

- Our recurring rental revenue comprises of 80.4% of total operating revenue.
- 94.5% of our operating profit is generated through recurring rental.

## 5. STRONG BALANCE SHEET

Our strong balance sheet with a low Net Debt:Equity mix at 1:2, allows us the opportunity to explore responsible leveraged growth, if and when we wish to pursue it.

- Net Debt:Equity mix at 1:2
- Recurring cash flows
- Distributed QR 7.86 billion dividend (2014-2023)

## 6. MOVING UP THE VALUE CHAIN

Barwa will continue to explore new opportunities based on evolving market demand drivers. We select our product offering in alignment with tangible market demand. Currently, Barwa is planning to foray into developing education as well as assets directly aligned to address the country's immediate requirements and for moving up the value chain by developing mid to high-mid residential segments for lease and/or sale; and for developing assets in freehold areas such as Lusail.

With a more judicious mix of selling and leasing, we further aim to balance our business models to yield the best possible returns for our shareowners. By adding new segments such as infrastructure for educations and healthcare, we are further diversifying and de-risking our business. Ultimately, we are continuously adapting ourselves to explore the best extraction of value from land, within the safe boundaries of risk we subscribe to.

# MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER



**ABDULLA BIN JOBARA AL-ROMAIHI**  
CEO OF BARWA REAL ESTATE GROUP

Over the past years, Barwa Real Estate Group has witnessed a positive transformation at all levels, including financial performance, operational results, and the development of the group's operational real estate portfolio, by continuing to add distinctive and diverse projects that meet the requirements and aspirations of the community and the real estate market, achieving its vision and business strategy.

The year 2023 was characterized by significant growth in all economic sectors in Qatar, especially the real estate sector, which contributed significantly to shaping the country's urban landscape through sustainable projects that keep pace with this growth in all its aspects, achieving the economic diversity adopted by the country.

In parallel with this bright picture, Barwa Real Estate Group played a key role in driving the country's economic growth, investing in the development of distinctive projects that adhere to international sustainability standards and provide real solutions for the business community and the education sector, in addition to meeting the needs of the population through the development of residential cities that serve both families

and workers, achieving the country's aspirations in providing a high-quality living environment for its residents.

Continuing on this distinguished path, at Barwa Real Estate, we are keen to consolidate our leading role in Qatar's real estate sector, benefiting from the great opportunities provided by the real estate legacy of hosting the FIFA World Cup Qatar 2022, where this year witnessed our exceptional ability to respond to the dynamic market requirements and provide innovative real estate solutions that meet the diverse needs of the community and align with the requirements of hosting major events. The legacy of the FIFA World Cup in Qatar and the role of Barwa Real Estate Group in this context have had a significant impact on enhancing the position of the Qatari real estate sector, as our projects have contributed to providing exceptional residential experiences for visitors.

In contribution to preserving this global legacy, during the year 2023, we opened the leasing operations for our projects (Madinatna) and (Argentine Neighborhood), which provided a distinctive residential experience for the World Cup fans. Thanks to Allah, we were able to achieve high occupancy rates for these two projects in a short period, enhancing the operational portfolio revenues for the group. Families benefited from Madinatna project, while workers and company employees benefited from the Argentine Neighborhood project, both offering competitive rental values that reflect Barwa Real Estate's commitment to meeting the requirements of these two segments.

Furthermore, we developed and delivered eight government schools to the Ministry of Education and Higher Education as part of the Qatar Schools project (First Package), which were successfully operationalized at the beginning of the academic year 2022-2023, reflecting our vision to support Qatar's distinguished educational process.

These significant efforts are part of our strategic partnership with the government, adding great value to our real estate portfolio. Additionally, all of Barwa Real Estate's diverse projects have helped solidify Qatar's position as a global destination for investment and real estate development, reflecting the group's forward-thinking approach in planning, development, and project execution.

At Barwa Real Estate, we recognize the importance of achieving a balance between economic performance and social responsibility. Therefore, we continue to develop our projects in a way that reflects this balance. We are expanding our investment scope to include projects in public-private partnerships, in addition to leveraging our extensive land inventory, which is a valuable resource for creating long-term investment projects. This approach enhances our ability to provide stable and free cash flows, contributing to protecting the company from real estate market fluctuations.

We affirm that Barwa Real Estate's journey is steadily progressing towards achieving excellence and innovation, in line with the country's economic growth directions. These continuous efforts have supported enhancing confidence in the Qatari economy, emphasizing the vital role played by Barwa Real Estate Group in achieving Qatar's National Vision 2030.

**ABDULLAH BIN JUBARA AL RUMAIHI**  
CEO OF BARWA REAL ESTATE GROUP

# OUR MARKET DRIVERS

## 1. GROWTH FROM NEW FREEHOLD ZONES

As per the Ministry of Justice, expats in Qatar can purchase property in 16 areas around Qatar. Non-Qataris are permitted to own property in 9 locations on a freehold basis, however, they can invest in real estate in an additional 16 locations on a 99-year lease. The objective is to encourage foreign investors, to invest in the freehold zones such as Lusail, West Bay, and Onaiza, amongst other areas, which ultimately facilitates a mature investment market and increases the variety and price brackets of products to choose from.

### What it means for Barwa?

The advent of new freehold zones will create new opportunities for Barwa to build more mid-to-high range residential units under its 'built-to-lease' and 'built-to-sell' models.

## 2. FREEHOLD PROPERTY OWNERSHIP

Expansion of the freehold and leasehold property net has been a key driver of Qatar moving from rental rental-based to sales-based economy. This will have a significant impact on local real estate, leading to higher investments from the expatriate category.

### What it means for Barwa?

Freehold property ownership will create opportunities for Barwa to build more mid-to-high range residential units under its 'built-to-sell' models.

## 3. GROWTH IN INBOUND TOURISM

The National Tourism Council has continued to introduce measures to boost tourism numbers following the introduction of visa-free travel for 80 countries. The government has extended the validity for the Hayya Card, wherein travelers can enter the country free of any charges. Post FIFA in 2022, Qatar is investing significantly in sports-related activities. Several sporting events are planned for the coming years which will ensure stable occupancy for hotels and hotel apartments.

### What it means for Barwa?

Barwa to benefit from the increased tourism in the form of higher occupancy for the hotel and other asset classes.

## 4. INCREASING THE ROLE OF THE GOVERNMENT TO IMPROVE TRANSPARENCY AND LIQUIDITY

To improve transparency in the real estate sector in the country, Real Estate Regulatory Authority will bring transparency and more diversity in the real estate sector. In addition, Qatar Central Bank has amended mortgage regulations applicable to all banks within the country. The revised regulations categorize loans based on factors such as the amount of the loan and the nationality of the applicant (Qatari and expatriates). These regulations include specific loan-to-value (LTV) ratios and tenures tailored to different property categories: residential properties for individuals, investment and commercial properties, and under-construction properties for investment. This thoughtful categorization aims to align with the diverse needs of applicants.

### What it means for Barwa?

Barwa to benefit with the increased movement in the real estate market due to higher transparency and better financing available in the local market.

# HOW ARE WE RESPONDING?

## 1. Additional Debt for growing Capex

The Company believes that its Balance sheet strength gives it enough headroom to secure additional debt for future Capex, if required. The Company is currently participating in multiple tenders on development for the education and healthcare sectors. As and when the Company is awarded projects, it expects to fund its 'capex' through a mix of internal accruals and the fresh issuance of debt.

## 2. Developing assets in the Freehold Areas

The Company is conducting feasibility studies to evaluate the potential opportunities of different types of projects in Lusail. Based on the results, the Company may choose to work with the government on various projects, electing to adopt both built-to-sell (BTS) or built-to-lease (BTL) models, or even to sell a portion of its land-bank in small parcel formats.

## 3. Strategies towards diversification

Barwa will continue to explore the opportunities based on evolving market demand drivers. Currently, Barwa is planning to foray into developing assets in the education and healthcare sectors; and for moving up the value chain by developing mid to high-mid residential segments for lease and/or sale.



# OUR WELL POSITIONED DEVELOPMENT PIPELINE

As our Government continues to introduce reforms for capacity building and encouraging economic growth, we plan to diversify our asset portfolio by carefully entering into new high growth sectors, such as healthcare and education. We plan to achieve this feat while maintaining our foothold in traditional well-established sectors, such as residential, retail, logistics, commercial and workforce residential assets.



Armored with over 15 years of experience in correctly assessing the demand trends within the market, BARWA have an in-depth understanding of the residential and commercial real estate sectors in Qatar. In the residential segment, we are planning to enter the high-value end of the business with more upmarket and aspirational assets, both for leasing and for sale.

Currently, our asset portfolio is made up of “low-to-mid” range of residential, retail and commercial units, a 5-star hotel, warehouses and workshops across Qatar. Moreover, our revenue from recurring sources of income for this year stood at QR 1,637 million.

We have an overarching objective to become a highly sustainable source of value creation for all our stakeholders. Although we are well-positioned with our existing portfolio, with 90% of our profit coming in as recurring annuities, we see significant justification for diversifying our portfolio further, to protect ourselves even better from market fluctuations and economic cycles.

Our long-term strategy includes a continuous assessment of the changing market dynamics that new government initiatives may bring. The government of Qatar allocated QR 19.2 billion — 9.3% of its total budget — to develop the education sector, of which QR 6.8 billion is earmarked to be spent on building several new schools within five years. Additionally, QR 22.7 billion — 11% of the total budget — has been allocated towards the development of the healthcare sector, which includes the construction of 5 new health centers. These allocations have opened new doors for us to diversify our product portfolio across new sectors, and we will continue to explore such strategic opportunities based on evolving market demand drivers.

Moreover, the government of Qatar increased the number of freehold zones from three to ten in Lusail, West Bay and the Onaiza region. This amendment, allowing foreign investors to hold full ownership in Qatar’s residential and commercial sectors, is a significant game-changer for the country’s real estate sector.

This development has opened up new opportunities for us to build more mid-to-high range residential units under a built-to-sell model.

As an agile company adjusting to market conditions, we take calculated steps after performing extensive feasibility studies and assessing the viability of fresh market opportunities. In the near future, we aspire to enter into various projects within the healthcare and education sectors, while also developing assets in the freehold zone of Lusail as well as in other key locations within Qatar

**QR**  
**1,637 Million**

Revenue from Recurring Sources of Income

## ACHIEVEMENTS IN REAL ESTATE DEVELOPMENT 2023

	completed the sale phase of the Dara A project units in Lusail City, and delivery of the residential units to their owners during the year 2023, by Al Waseef Asset Management Company, owned by the group.
	Starting to lease the Madinatna project by Al Waseef Asset Management Company, owned by the group.
	Renting all Al Khor sports facilities and workers’ housing.
	<b>Barwa operating real estate portfolio includes:</b> <ul style="list-style-type: none"> <li>• 14,069 residential units</li> <li>• 55,129 accommodation rooms for workers</li> <li>• 346,000 sqm of shops, showrooms and offices</li> <li>• 445,779 sqm of workshops and warehouses</li> <li>• 701 hotel rooms</li> </ul> As for the average occupancy rate, it exceeded 90% in many of the Group’s residential projects.
	Starting to lease the Argentine Neighborhood project by Al Waseef Asset Management Company, owned by the group.
	Completing the handover of Qatar’s schools to the Ministry of Education and Higher Education and the Public Works Authority.



# FREEHOLD ZONES A GROWING OPPORTUNITY

The increase in freehold zones will create new opportunities for Barwa, to build more mid to high range residential units under a blended business model, incorporating a healthy mix of both selling and leasing.

With an aim to encourage non-Qatari real estate investments into Lusail, West Bay and Onaiza, amongst other areas. The government of Qatar increased the number of freehold zones in March 2019 from three to ten. This represents a quantum leap in the expansion of the country's real estate marketplace and size.

Even though its short-term impact seems to be marginal due to the prevailing challenging market conditions, it is expected that in the long term, this emergence of multiple new urban centers will create more opportunities for investors and owner-occupiers to purchase and own yielding real estate in Qatar. Over time, this policy is also expected to facilitate a more mature investment climate, encouraging an increasingly evolved and vibrant marketplace that thrives on improved choice of products, and a price range that caters to multiple income groups.

Such initiatives by the government is also creating substantial opportunities for Barwa, including the potential to build more residential projects such as

the Dara A in Lusail, which includes mid to high-mid affordable luxury residential apartments. By including a built-to-sell (BTS) business model for some of the developed units, and by offering some portion of our land bank to other developers on outright sale, we are exploring exciting options for garnering the ideal ROIs from our investments.

To explore these initiatives fully, we are conducting feasibility studies to evaluate potential opportunities for different types of projects in Lusail. This includes a variety of options to work with the government on strategic projects; adopting a blended mix of built-to-sell and built-to-lease models to enhance both short-term and long-term returns; and also monetize a portion of our investment through the sale of some portion of our large land parcels.

As Qatar develops and expands its urban footprint, so will Barwa grow in sync with the government's strategic expansion programs.



# SECURING BARWA'S ICT FRAMEWORK

In a rapidly evolving digital landscape, our team has worked diligently to drive innovation, enhance cybersecurity, and optimize our IT infrastructure. Below, we outline four key achievements that stand as milestones in our journey toward technological excellence and business growth.

## 1- Oracle Enterprise Performance Management (EPM) Rollout:

Completing the Oracle EPM rollout marked a significant milestone in our cloud transformation journey. This was the second phase of the initial major cloud transformation project to Oracle Fusion, which successfully took place last year. Oracle EPM helps organizations adapt quickly to changing business and compliance requirements while reducing risk, improving controls, and delivering faster, more accurate insights to all stakeholders. It provides the agility and insights needed to outperform in any market condition. It helps model and plan the budget cycle and the financial close process to drive better decisions.

## 2- Launch of Barwa Mobile App:

The official Barwa Mobile App has been launched. This app comprehensively showcase Barwa's diverse portfolio of properties and projects, providing a seamless experience for our clients.



## 3- Improvement in Cybersecurity Framework Compliance:

We have achieved a significant rating increase in the Cybersecurity Framework compliance program mandated by the National Cyber Security Agency. Our overall compliance rating has increased by 20% compared to 2022. This achievement underscores our commitment to safeguarding our digital assets and customer data.



## 4- Cloud Migration:

We have successfully migrated 20% of our on-premises workloads to operate on Cloud. This strategic move has resulted in increased availability, performance, security, and a decrease in overall capital expenditure. It's a testament to our ongoing efforts to leverage cutting-edge technology for operational efficiency.



# ACTIVELY MANAGING RISK

Barwa is committed to effective risk management in pursuit of our business objectives, with the ultimate aim of growing value sustainably for all stakeholders, by embedding risk management into key decision-making processes and day-to-day activities.

## OUR RISK MANAGEMENT PROCESS

Risk management is inextricably linked to our strategy and is an essential element of sound corporate governance, as well as a key enabler to derive benefit from opportunities. We understand the risks associated with our business, and we manage them proactively and effectively, within our Company risk appetite and tolerance levels and as guided by our Risk Management Framework, to optimize business returns. Our Group top risks are identified with due consideration of both our external and internal operating context, which is everchanging. This year, there was also an increased focus on crisis management and business continuity.



## OUR TOP RISKS PROFILE

The four aspects which reflect key business imperatives are anchors for our Company's top risks as they could have a material impact on our strategy:



### BUSINESS SUSTAINABILITY AND EARNINGS GROWTH

- Creating a safe and caring environment anchored in “zero harm” where safety performance is top-of-mind.
- Short-to-medium term execution of strategy anchored in our ability to remain profitable, and deliver on earnings growth which exceeds cost of capital.



### LONG-TERM BUSINESS VIABILITY

- Long-term sustainability, delivery on long-term strategy and opportunity management.
- Ensuring a balanced approach between growth and returning value to shareholders.



### Employee Value Proposition

- Ability to attract new talent, retain and develop talent, have engaged and high-performing talent, and be acknowledged as employer of choice.
- Transformation and global diversity management.



### STAKEHOLDER IMPACT

- Being a credible stakeholder partner, which implies a company with:
- Good reputation performance; and
- Ability to effectively manage stakeholder relations.

## ACTIVELY MANAGING RISK CONTD...

OUR RISK MANAGEMENT PROCESS IS ITERATIVE AND APPLIED IN A DYNAMIC OPERATING CONTEXT

### HOW WE IDENTIFY AND REVIEW OUR RISKS?

Our focus areas, aligned with our strategy, guide and inform our top risks. We regularly review these risks with due consideration of both our external and internal operating context.

### HOW WE ENSURE APPROPRIATE RISK GOVERNANCE AND ASSURANCE?

We have mandated governance and oversight structures at Board and management level, with defined risk management responsibilities. We adopt combined assurance management principles, obtain and provide internal, external, management and/or independent assurance on key responses on our risk management processes.

### HOW WE RESPOND TO OUR IDENTIFIED RISKS?

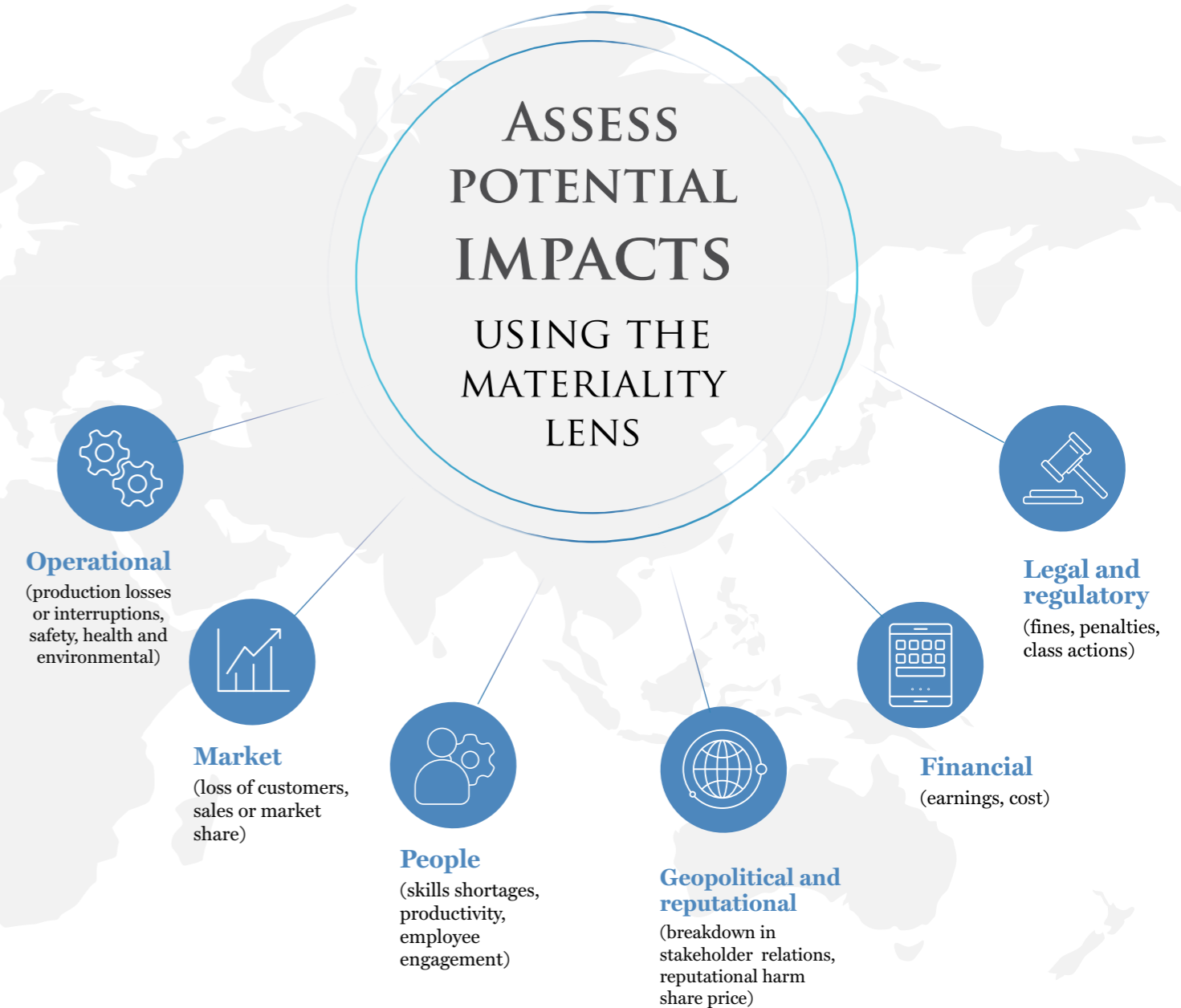
We understand and assess our capability to respond to our top risks by identifying key responses. We regularly review the appropriateness and efficacy of our key responses.

### HOW WE REPORT ON OUR RISKS?

We have regular risk reporting and assurance reports to mandated governance and oversight structures. We communicate and report significant risks to external stakeholders in accordance with statutory and non-statutory requirements.

## APPLICATION OF MATERIALITY LENS TO ASSESS THE POTENTIAL IMPACT OF OUR TOP RISKS

We express our Company's top risks as either key undesirable events or opportunities and apply a materiality lens to assess the potential impact should the risks occur. We consider both quantitative and qualitative impacts.



**Materiality Lens to Assess Potential Impact of Top Risk**



## OUR PEOPLE: BRINGING BARWA'S VISION AND VALUES TO LIFE

We know it's our people who make Barwa successful. Their talent, commitment to customers, and pride in Barwa are crucial to our long-term growth.

At Barwa, we are committed to driving a sustainable business that is both commercially successful and socially and environmentally responsible. This approach includes providing our employees with a safe and healthy working environment and having an organizational culture that promotes diversity, inclusivity, personal development and respect.

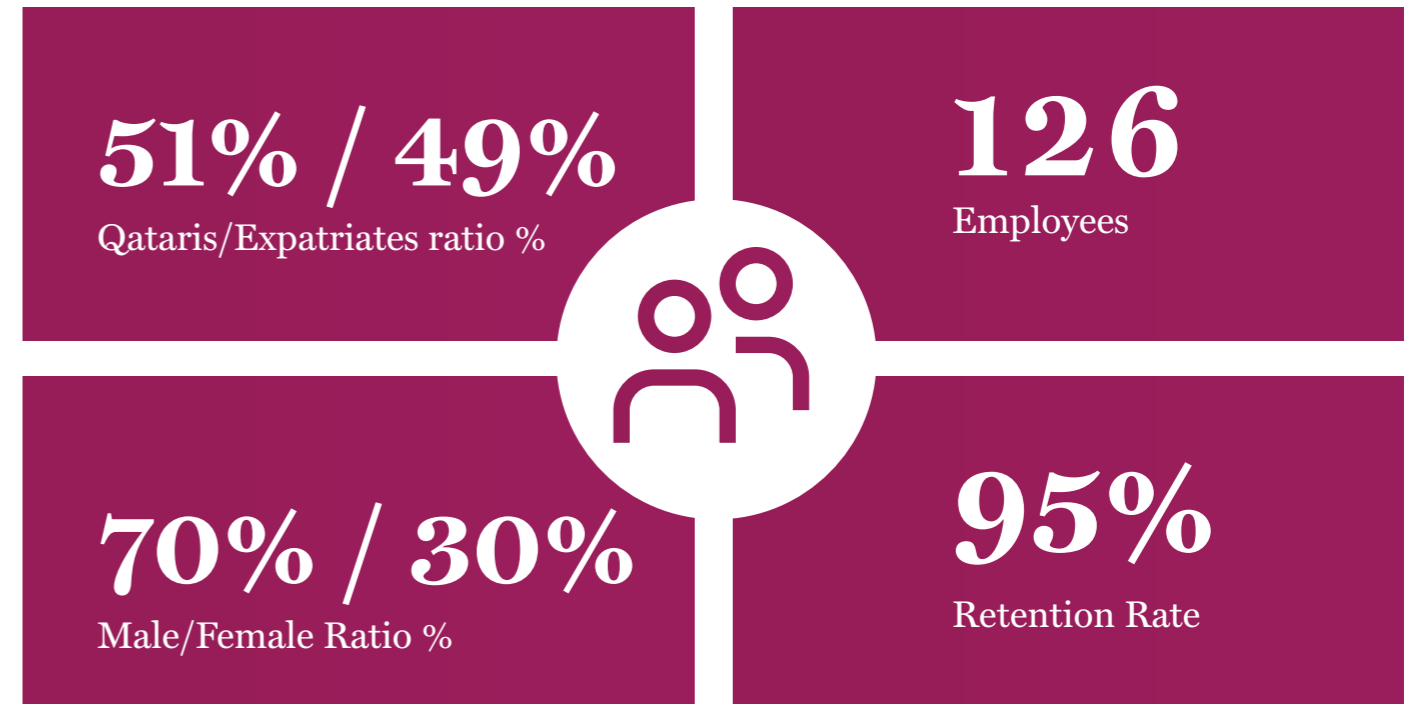
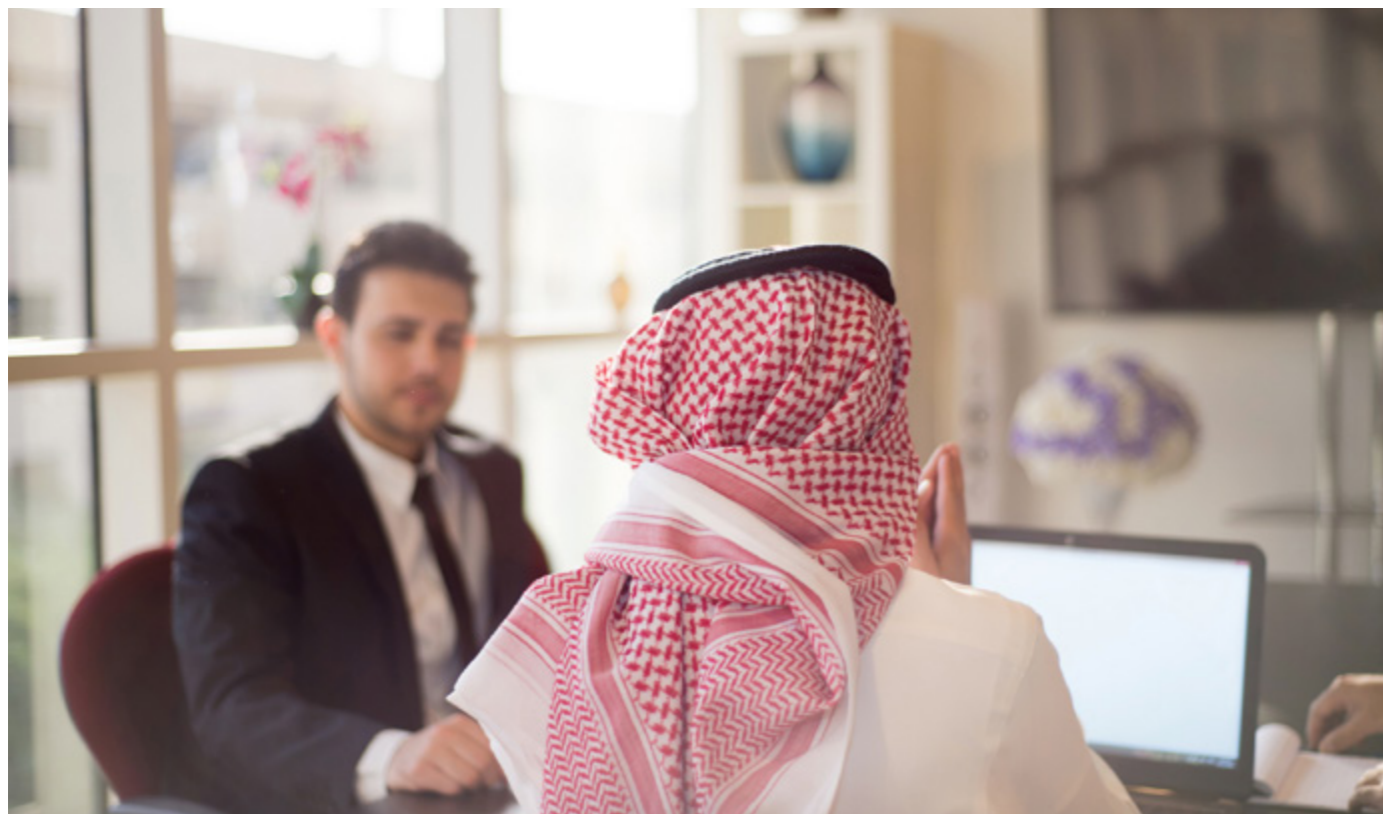
### OUR CULTURE

We strongly believe that our people are our partners and the key to the success of our business. We respect and value the individuality and diversity that every employee brings to the Company. Over the years, we have built a team that mirrors the diversity of our customers, clients and communities. We are proud to say that 31 % of our workforce is women, and Qatari nationals make up around 51% of our workforce. We recognize that progress

and consistency work hand in hand, and that we are on a continuous journey towards creating an environment that is conducive to mutual respect, transparency and teamwork.

### INVESTING IN OUR HUMAN CAPITAL

Our Company benefits from having employees with a diverse range of educational and professional backgrounds, combined with a shared passion for significantly contributing to the business. We encourage our team to be productive and innovative in generating new ideas and sharpening their decision-making skills. We continuously encourage our teams to attain greater excellence by enhancing their creativity and problem-solving skills through a variety of development and training programmes, for both soft skills and technical training.



### BUILDING A MORE INCLUSIVE WORKFORCE

Our organization is actively contributing towards the defined goals of the stated Qatar National Vision 2030, which aims to develop a competent Qatari workforce through education and training. We recognize that the success of such strategies relies upon individual ownership, the mobilization of resources, and the support of employees and managers. Through our initiatives, we have been able to increase our focus on the nationalisation of key positions through performance-based learning and development. As of today, not only have we achieved Qatarization for 51% of our total head

count, but most of our senior management positions are occupied by Qatari nationals.

### A PEOPLE FIRST COMPANY

In seeking to always 'do the right thing', when determining our global principles, we have been mindful of international standards and benchmarks, including those set out by the Civil Defence Department in Qatar. We place the foremost priority on the health and safety of our employees by promoting regular well-being awareness campaigns and providing a safe and ergonomic office environment.

## OUR ACHIEVEMENTS

- Retained the Qatarization rate of approximately %50.
- Training and Development of selected Qatari Nationals.
- Promotion of employees to higher positions instead of recruiting from outside, and recruited fresh Qatari national graduates to help them progress in their chosen careers.



# OUR COMMITMENT TO COMMUNITY

At Barwa, we believe in the virtuous circle of strong communities supporting a strong business, and that businesses can only be as prosperous and successful as the societies they serve.

The Barwa Real Estate Group is highly committed to adopting its social responsibilities by actively promoting community development across all facets of its operations. Embracing sound environmental policies, the Group has garnered community acclaim for the inclusivity and social considerations embedded in its projects. These projects align with sustainability concepts, departing from traditional real estate construction philosophies. They offer solutions that enhance the quality of life, cater to diverse societal needs, and provide housing and amenities at competitive prices. This concept integrates with the Group's business strategy, creating a more favorable communal environment through investments that encompass residential, commercial, logistical, and educational projects—embarking on the genuine meaning of sustainable cities.

## Security and Safety in Projects

Barwa Real Estate ensures the highest levels of security and safety in all its projects, complying with national standards in collaboration with the Civil Defense Department of the Ministry of Interior. The group provides trained security guards and 24/7 surveillance cameras for the benefit of tenants and residents in its projects. Moreover, the group has installed fire suppression systems across all its projects to minimize fire-related incidents. These systems are implemented in the subsidiaries of Barwa Real Estate. The group collaborates with the Civil Defense

Department to conduct routine evacuation drills for its towers and projects, ensuring the effectiveness of security and safety procedures and guaranteeing the well-being of employees and residents.

## Environmental Responsibility

Barwa Real Estate Group is committed to protecting and preserving the environment, evident through its significant emphasis on developing projects. This commitment is notably showcased in the (Madinatna) and (Argentine Neighborhood) projects. Both projects are equipped with modern technologies to optimize water and electricity usage. Additionally, treated water is utilized for irrigating green areas, contributing to environmental conservation efforts. The incorporation of cutting-edge smart technologies related to communication systems and information technology further ensures optimal energy consumption. Simultaneously, it reinforces the concept of smart city models, ensuring that beneficiaries of the projects enjoy sustainable residential environments meeting the highest standards. This initiative aligns with the group's goal to enhance its contribution to the development of a more sustainable society, in line with the Qatar National Vision 2030.

## Supporting Local Manufacturing

Barwa Real Estate Group sets an exemplary model in supporting the private sector by endorsing local manufacturing. The group extensively

uses construction and finishing materials manufactured in Qatar, meeting international standards, to support local companies. The collaboration with national companies in the construction processes enriches the investment landscape for private sector companies in building sustainable cities.

## Community Initiatives

Barwa Real Estate is consistently dedicated to actively contributing to the development of affordable, high-quality housing solutions that meet the needs and aspirations of beneficiaries. This commitment is demonstrated through Barwa Village, Masaken Mesameer, and Al Masaken Al Sailya. Furthermore, the group continues to organize blood donation campaigns in collaboration with Hamad Medical Corporation at Barwa Al Sadd Towers, aiming to support the blood bank with essential resources.

In addition, Barwa Real Estate has donated one million Qatari Riyals to our brothers and sisters in the Gaza Strip, in support of the "Palestine duty" relief campaign initiated by the Regulatory Authority for Charitable Activities in partnership with Qatar Red Crescent and Qatar Charity. This collaboration, in coordination with the Qatari Media Corporation, aims to assist those affected in the strip. Additionally, a donation of 100,000 Qatari Riyals was made to the Qatar Red Crescent for the "For Palestine" campaign. Furthermore, 100 blankets were provided through our subsidiary company, Waseef, to Qatar Red Crescent for Palestine.

These contributions reflect the group's humanitarian responsibility and Qatar's supportive stance towards the Palestinian people, especially those affected by the aggression on the Gaza Strip, including the injured, orphans, widows, the elderly, pregnant women, and children.

## Support for National Expertise

As part of Barwa Real Estate's efforts to develop sustainable cities that meet the needs of all segments of society and enhance living standards, the group is committed to supporting Qatari expertise. This involves collaboration with efficient and experienced national companies in the construction and real estate development sectors.

## Support for Educational Process and University Students

Barwa Real Estate continues its periodic training and professional field program for students of the College of Engineering at Qatar University. This program, established through a collaboration agreement with Qatar University, leverages the group's growing expertise in the real estate market to serve the educational process. The group aims to strengthen cooperation with Qatar University

through the exchange of experiences, scientific research, and training in various fields. Furthermore, the group has developed and implemented a professional and field training program for students of the College of Engineering at Qatar University during 2023. The two-month program, the fourth of its kind with the College of Engineering, provided students with comprehensive practical experience, discussions, intensive studies, and fieldwork.

During the program, Barwa Real Estate's engineering team acquainted students with the group's projects and its strategies in selecting investment and development opportunities. The practical experience included discussions, intensive studies, and fieldwork.

## Supporting National Events and Major Occasions

Barwa Real Estate is steadfast in supporting and enhancing prestigious national and international events in Qatar, embracing a vision that celebrates national identity and highlights the depth of solidarity and pride in the Qatari heritage. In line with this commitment, the group actively participated in the National Sports Day, organizing

sports activities for its employees in the "Madinatna" project, reflecting the team's spirit and activity.

With a deep sense of responsibility towards the labor force, Barwa Real Estate, through its subsidiary Waseef, organizes various events in workers' housing projects on multiple occasions, emphasizing values of gratitude and appreciation. Additionally, events are organized on the occasions of Eid al-Fitr and Eid al-Adha in residential projects for families and workers.

As a leading contributor, Barwa Real Estate supported Qatar's First Real Estate Forum as a strategic partner with a sponsorship of 350,000 Qatari Riyals, contributing to the advancement of the real estate sector and aligning with the objectives of Qatar's National Vision for Economic Development. The group participated in Cityscape Qatar 2023, showcasing its projects (Madinatna) and (Argentine Neighborhood), drawing attention to its pioneering architectural masterpieces.

In appreciation of its employees, Barwa collaborated with Ooredoo Telecommunications to provide special offers for its employees at its headquarters in the Al Sadd area.





# REAL ESTATE PROJECTS IN QATAR

Barwa's property portfolio has a long-term investment horizon. Strong investment discipline is required to mitigate the risk of sacrificing long-term growth for shorter-term distribution growth targets.



## OPERATIONAL PROJECTS

### **Madinatna**

#### **Argentina Neighborhood**

Asas Twin Towers

Barwa Al Sadd

Alaqaria Tower

Barwa Cooling

Masaken Mesaimmer

Barwa Village & Extension

Barwa Al Baraha  
Workers Accommodation

Souq Mesaieed

Al Baraha  
Workshops & Storages

Madinat Mawater Phase 2 & 1

Masaken Al Sailiya

Umm Shahrain Warehouses

Dunes mall

Alaqaria Commercial Complex

Mesaieed Villages

Alaqaria Garden

Dukhan DSSA Workers Accommodation

Souq Dukhan

Zekreet Plaza

Ras Laffan work accommodation

Al Khor Workers Sports  
Complex Extension

Al Khor Workers Sports Complex

Al Khor Community

Barwa Al Khor - Shell Staff Housing



## LAND BANK

**Al Wakra Residential**

**Barwa Al Doha-A & B**

**Dara B-F**

**Umm Shahrain Extension**

**Barwa City 3**

**Barwa Al Baraha Ph 3**

**Asas Marina Mix**

**Al Kharaej Residential Tower**

**Alaqaria Delta Center**

**Al Khor land**

**Al Khor Extension**

**Al Huwaila land**

**Madinat Al Mawater Phase 4**






## ONGOING PROJECTS

**Madinat Mawater Phase 3**



# QATAR REAL ESTATE INVESTMENTS

-  Operational Projects
-  Ongoing Projects
-  Land Bank

## RESIDENTIAL



### BARWA AL KHOR – SHELL STAFF HOUSING

is a residential project extending over 124,044 square meters, offering 50 villas and 300 apartments along with features such as clubhouse, child daycare, supermarket and a mosque. The project was completed in the third quarter of 2016 and has been handed over to Shell Company for ten years.



### MADINATNA

Located at Al Wakra District on Plot No 91110010, the city's total plot area is 1,141,689 square meters and aims at building an integrated residential city for families to provide quality living for its residents. The city is based on community cluster with designs inspired by traditional Qatari architecture with G+4 buildings. Madinatna addresses the housing needs of the different segments of the Qatari community, with residential environments that meet the highest standards and specifications, required by the local market for residential units for families.

Madinatna houses a total no. of 6,780 residential units - a mix of 4,740, consisting of 3 Bedroom Units and 2,040 consisting of 2 Bedroom Units.

The development also comprises of amenities such as Hypermarket, Local Retail, Central Retail, Kindergartens, Small Clubhouses, Main Clubhouse, Daily Mosques, Friday Mosque, Warehouse, Substations, Primary Substation, Waseef Building and Sewage Treatment Plant. The project has a Total Built-up Area (BUA) of 1,035,536,72 square meters and has 166,481 square meters of green area and 714,249 square meters Driveway/Walkway/ Parking area.



### MASAKEN MESAIMEER AND MASAKEN AL SAILIYA

Masaken Mesaimmer and Masaken Al Sailiya are designed to provide affordable community housing. Built on two separate sites, which together comprise a total area of 400,000 square meters, the two developments consist of 62 residential buildings, offering 1,984 two and three-bedroom apartment units. The developments also feature playgrounds, health clubs, nurseries, a supermarket and green areas.



### AL KHOR COMMUNITY

Al Khor community project consists of 11 packages including different types of residential units of total 3,171 units (villas and apartments) which have been leased out to QP and its subsidiaries. The community has been developed following the concept of self-contained residential city including all required services such as, schools, mosques, recreational facilities covered with beautiful landscapes.



### ASAS TWIN TOWER

Located at Ambassador's Street in West Bay, the residential towers were developed in 2004. The towers, directly overlooking the sea, are composed of 320 fully furnished residential apartments, containing 2,3,4 and 5 bedrooms. They also provide various services, including centralised cooling, free Internet access, cleaning services, in addition to a gym, business center, a beauty center & spa, beside other amenities and services.

## MIXED USE & COMMERCIAL



### BARWA VILLAGE

Located in Al Wakra district, Barwa Village is a master-planned development. Spreading over 400,000 square meters with a built-up area of 186,000 square meters, Barwa Village consists of 18 commercial and residential complexes that offer 918 retail units, 96 studio apartments, 262 one-bedroom apartments and 100 two-bedroom apartments. Project facilities feature a health club, an international school, a nursery, a medical clinic, a shopping center, commercial units, workshops, a mosque, restaurants, car parking facilities and a range of green spaces. After completion in 2010, Barwa Village soon achieved high occupancy rates. For that reason, the Group expanded the project through the development of an additional building stretching on a land plot of 11,094 square meters. The total built-up area is 34,492 square meters with residential apartments and retail shops in addition to a hypermarket. The overall expansion offers a total of 71 shops and 177 different sized residential units, including 1 bedroom and 2 bedroom units. The construction of the project is completed. It is currently under operation.



### MADINAT MAWATER

Madinat Mawater is the main destination for all used car related services, including sale, purchase and maintenance. Located in Rawdat Rashid near Salwa road intersection, Madinat Mawater extends over a land area of 1,151,731 square meters. It provides used car showrooms, residential accommodations, workshops, in addition to retail shops. It also offers essential facilities and services such as offices for the Traffic Department, banks, car insurance

companies as well as a petrol station and car technical testing service. Madinat Mawater comes as one of Barwa's projects aiming to serve both the community and economy of the State of Qatar. Barwa Real Estate is developing and operating the project in several stages through the BOT system (Build-Operate-Transfer) for 30 years. Phase one of the project has been completed in the second quarter of 2017 to include 60 used-car showrooms, 10 retail shops, 88 different sized apartments, 88 different sized offices, shops, workshops and a petrol station, in addition to all the infrastructure work. Due to the growing leasing demands on Madinat Mawater, Barwa Real Estate has developed Phase two of the project with a total built-up area of 12,357 sq. m. including 59 used car showrooms, 88 apartments, 88 offices, 10 retail shops and 5 workshops, in addition to the necessary infrastructure.

All the construction works have been completed, and the leasing and operation of this phase have begun. Furthermore, a plot area of around 26,000 square meters has been allocated for the establishment of a Car Inspection Service Center (Fahes) by WOQOD Company. The company also started building car service centers on 1st August 2019 as first part of the third phase of Madinat Mawater, which is an extension of the first and second phases. Also in 1st July 2020 started the building of second part of the third phase of Madinat Mawater. This phase will be implemented on a land area of approx. 340,000 thousand sq. m. to provide 118 used car showrooms, a hypermarket, mosque, a car parts sales center and a showroom for one of the car dealers. Additional car services are now under study to be added as part of the new phases of the project.



### BARWA AL SADD




Barwa Al Sadd is a mixed-use development covering an area of 27,654 square meters. The project consists of 3 office towers (two of 21 floors and one of 18) and a five-star hotel with 232 rooms and suites. All are surrounded by a three-level podium, two levels for retail and one for office space. The development also includes three apartment buildings with total 261 flats, 129 of which are two bedrooms and 132 of which are three bedrooms buildings and incorporates a lower ground floor and 11 upper floors (G+10) that provide a total of 87 flats per block, a three storey recreational building, two basement levels, a five storey car park building and accommodating 1,702 cars and a utility building. The project is completed and leased.



### DUKHAN CITY PROJECT - SOUQ DUKHAN, DUKHAN HOUSING AND COMMUNITY CENTRE

In 2008, AlAqaria completed the development of Souq Dukhan that includes 18 commercial shops and 10 offices, offering diversified services, as well as Souq Zekreet which is close to Dukhan Highway, which includes 31 accommodations and 40 different sized shops. Al Aqaria developed a number of projects in Dukhan city, including Dukhan Housing - Packages 1, 2, 3 and Dukhan Community Center. Currently, Al Aqaria Garden Dukhan has 48 residential units. The project features consist of a Bowling Alley, Electronics Game Area, Indoor Sports Area, Multi-purpose Lounge, Coffee Shop, Community Library, Function Hall, Management Offices, Storage Areas and Maintenance Areas with associated infrastructure and with an overall plot area of 9,633 square meters.



-  Operational Projects
-  Ongoing Projects
-  Land Bank

## MIXED USE & COMMERCIAL



### ALAQARIA PROJECTS MESAIEED

Al Aqaria has diversified real estate projects in Mesaieed. The company has completed the development of six workers accommodation villages in six phases. Currently 4 labour accommodations are operational, offering 275 units for Senior staff, 442 units for Junior staff and 1,733 labour housing units. Each village features several services and recreational amenities, including dining halls, supermarkets, playgrounds, recreational halls and a mosque. Moreover, Al Aqaria started to operate Dunes Mall in 2002 after completing its development. Located in the heart of Mesaieed near the big Mosque, the mall is composed of 190 shops and 19 offices, this includes banks, hypermarket, etc.

At the beginning of 2014, Al Aqaria completed the development of Souq Mesaieed. Located in the heart of the industrial city with all its premises overlooking the main street, it comprises of 3 blocks (G+M+3 floors), including 108 shops, 70 office units, 138 flats.



### ALAQARIA TOWER

Established in 2008, the administrative tower, is located in Museum Street in Old Salata Area. It is composed of a ground floor, a mezzanine and 14 floors, including furnished and unfurnished administrative offices with multiple rental sizes. The building also provides different services such as 24 hours security and maintenance services. The tower offers two banks, Doha Bank & Al Ahli Bank, and two basement parking lots.

## INDUSTRIAL



### UMM SHAHRAIN WAREHOUSES

Located in Umm Shahrain area, the project's plot land is 500,000 square meters. It provides low-cost warehousing areas with a total built-up area of 259,446 square meters, including 131,671 square meters of dry storage areas, 62,812 square meters of air-conditioned storage areas, 36,992 square meters of chilled storages and 19,028 square meters of freezer storages. The project also includes a residential compound for the accommodation of workers employed in it with a total plot area of 7,655 square meters, in addition to 532 square meters of offices and a total of 38 retail shops on a plot area of 1,676 square meters and a 700 square meter mosque.

The infrastructure works of the project consist of 13 electrical substations, internal roads with loading and unloading areas, networks for potable water, firefighting systems, irrigation, stormwater and foul water and their respective tanks. Furthermore, it will include CCTV surveillance, pump rooms, security rooms, and a surrounding fence. The total built-up area of the project is 273,311 square meters. Umm Shahrain Warehouses are now completed and fully leased.

The Group is currently studying the potential of adding new phase to this development by establishing Umm Shahrain Warehouses Extension project. This extension project will be developed on a land plot of 59,136 square meters. The development of this project was awarded to Barwa Real Estate Company as part of four logistic projects awarded to several developers by Manateq Company in 2015.



### AL BARAHA WORKSHOPS & STORAGES

It is an extension of Barwa Al Baraha project. This is the area adjacent to workers accommodation project which was formerly called "Truck Parking". On a plot area of 684,134 square meters, the project offers suitable spaces to be used as warehouses for small and medium enterprises, offering mechanical and electrical workshops to meet the needs of craftsmen in the Industrial Area. It includes 561 warehouses and 118 workshops on a built-up area of 187 thousand square meters. This phase was completed in September 2019, leasing activities for the warehouses and the workshops are currently underway and the project is fully operational.



## WORKERS ACCOMMODATION



### MUKAYNIS COMPOUND – AFFORDABLE RESIDENTIAL CITY

providing full services covering all infrastructure works of 25 power substations, internal roads, potable water, irrigation, fire and sewage networks as well as CCTV cameras, as well as security services. An adjacent land plot of 183,538 square meters is allocated as parking lots for buses, in addition to a hypermarket, a security center and government services. Mukaynis Compound is designed to ensure the privacy of the city's residents as it includes a private courtyard for each house, allowing its residents to enjoy the outdoor activity while ensuring their privacy. The traditional Arab style of the residential units is compatible with surrounding environmental conditions.

Mukaynis Compound has been developed as part of the efforts to improve the housing standards of workers in Qatar and meet the needs of the local market in line with the objectives of Qatar National Vision 2030 and Qatar's preparations for hosting the 2022 World Cup, through developing a sustainable residential environment in terms of quality and security and providing all required services and facilities. In the challenging COVID-19 situation, and in coordination with the authorities, Mukaynis Compound also served as a quarantine facility for patients and incoming travelers to Qatar.

covers the construction of 3,170 residential houses, comprising of 8-bedroom units with eight toilets, and one kitchen. In addition to that, it will include shops and mosques with project total built-up area of 730,728 square meters. Moreover, the construction will focus on



### AL KHOR WORKERS SPORTS COMPLEX

fields. It also includes a supermarket, 35 shops, 2 open air cinemas, a mosque, a plaza area and other facilities. The complex hosts numerous events and sports activities and it has been utilized by several government and private corporations like the Ministry of Interior which Barwa collaborated with to organize on-going programs for workers. Covering all national and sports events in Qatar, the number of visitors of the program has exceeded 504,613 visitors Throughout the year 2019. The Group added a new phase to the project; "Al Khor Recreation extension Project" on a plot area of 69,757 square meters. The expansion project consists

of 216 one-bedroom apartments, 300 two-bedroom apartments, 8,000 square meter hypermarket and 300 square meter multi-purpose hall. In addition to the construction of infrastructure works that consist of one electrical substation, internal roads with parking lots for cars and buses, networks for potable water, firefighting systems, irrigation, storm water and foul water with their respective tanks. Furthermore, it includes CCTV surveillance and security rooms as well as pump rooms and a surrounding fence with total built-up area of 53,639 square meters. The construction works of the project has completed, and its now under operation.

A recreation facility in Al Khor Industrial Area aims to improve the quality of life of the workers by providing integrated leisure and sports facilities. It features four cricket fields, four football pitches, three volleyball courts, four basketball courts and four kabaddi



### ARGENTINA NEIGHBORHOOD

and services and facilities to different segments of the community, with sustainable residential environments that meet the highest standards and specifications, required by the local market for residential units for the workers. is based on an urban grid fabric reminiscent of traditional clustered Arabic courtyard houses. The city offers 1,404 accommodation units. Each unit consists of 4 rooms at each level, providing capacity of 16,848 rooms. Argentina Neighborhood comprises of amenities such as Daily Mosques (2 Nos) , Friday Mosque (1 No), Hypermarket(1 No) , Local Retails(54 Nos) , Substations, Primary Substation, MOI Building, Waseef Building and Sewage Treatment Plant. Outdoor facilities and other services have been added to cater to the tenant's

necessities and leisure requirements. Argentina Neighborhood has 126,938 square meters of green areas, 425,235 square meters Driveway/Walkway/ Parking area and a Total Built up Area (BUA) of 767,270 square meters What distinguishes "Barahat Al Janoub City" is its strategic location on the Seventh Ring Road leading to the southern regions, the industrial zone, and highways, which are the axis of Al-Majed Street and the axis of Sabah Al-Ahmad Street. These advantages provides the city's residents and visitors with easy access within a short period of time from several areas to meet their needs. In addition, the residential city was allocated to the Security forces, Volunteers and Fans during Qatar World Cup 2022, and it was very popular.

Located at Al Wakra District on Plot No. 90020337, the city's total plot area is 773,457 square meters, aims to build an integrated accommodation units and amenities to provide quality living for 67,392 workers. Argentina Neighborhood designs are inspired by the traditional Qatari architecture with (Ground floor G+2 ) buildings. The city is equipped with the latest smart city technologies. it provides innovative solutions

**QR 9,287 million**

Book Value of Barwa Real Estate Land Bank

**QR 15,450 million**

Book Value of Barwa Real Estate Properties



### WORKERS ACCOMMODATION IN BARWA AL BARAHA

The project is located in the Industrial Area, offering 64 Buildings extended over 659,563 land, the project includes 8,576 rooms for the accommodation of 50,000 workers and technicians, together with restaurants and retail shops. The project is currently operational.

## WORKERS ACCOMMODATION



### DUKHAN CITY PROJECT – WORKERS VILLAGE ZEKREET

Al Aqaria has different projects in Dukhan city that include Al aqaria Labor Village Zekreet, which was completed in 2009 and had 200 residential units for workers and 48 residential units for junior staff members.



### MESAIEED VILLAGES – WORKERS ACCOMODATION

These projects have been developed and completed considering workers welfare. The amenities offered in the projects are wifi, TVs, first aid, kitchen and dining blocks, outdoor gym, supermarkets, indoor and outdoor play areas and mosques.



### RAS LAFFAN PROJECTS WORKERS ACCOMMODATION

The worker's accommodation in Ras Laffan is one of the projects aiming at supporting the industrial areas in Qatar. The project comprises of 560 workers units and 128 senior units. Consisting of two floors, in addition to the ground floor. Al Aqaria also developed four other accommodation blocks for Senior and Junior Staff, a two-storey building for dining halls, a mosque and a commercial block.

## PPP DEVELOPMENT PROGRAMME

### QATAR SCHOOLS DEVELOPMENT PROGRAM - FIRST PACKAGE



Barwa Real Estate Group has developed eight government schools for the academic year 2022-2023. The significance of this project lies in it being the first partnership project between the public and private sectors to develop, operate, and maintain eight public schools in various locations in Qatar. These schools will be leased directly to the Ministry of Education and Higher Education, with maintenance services provided for 25 years under the Qatar Schools Development Program - First Package.

The schools have been designed according to the latest architectural standards and the three-star global sustainability assessment system. Each school includes 30 classrooms, including classrooms and facilities for students with special needs, accommodating 786 students each according to the approved design model.

The schools are equipped with educational facilities for sciences, languages, information technology, sports, arts, and various activities, in addition to libraries and laboratories. The design of the schools also considers providing outdoor spaces, sports fields, parking lots, and service buildings.

*This package includes the following schools:*

School type	Region	Approved names for schools	Approximate area of the project lands (Square meters)
Secondary school	Al Wakra	Amr Ibn Al-Aas Secondary School for Boys	25.141
Intermediate school	Al Kheesa / Rawdat Al Hamam	Talha Bin Obaidullah Preparatory School for Boys	29.375
Secondary school	Umm Salal Muhammad	Ramla Bint Abi Sufyan Secondary School for Girls	19.426
Intermediate school	Bu Fesseela	Hind Bint Amr Al-Ansaria Preparatory School for Girls	27.543
Elementary school	Al Wukair	Saeed bin Zaid Preparatory School for Boys	29.717
Secondary school	Al Kheesa / Rawdat Al Hamam	Ibn Taymiyyah Secondary School for Girls	38.659
Elementary school	Al Wukair	Al Wukair Model School for Boys	33.885
Secondary school	Rawdat Al Naisar	Ibn Sina Secondary School for Boys	24.693

The schools are designed according to the latest architectural styles and apply the three-star Global Sustainability Assessment System (GSAS), which is a performance-based sustainable green building rating system in terms of design and construction. At least 30 classrooms with special needs classrooms and facilities will be available in each school, accommodating roughly 786 students per building according to the approved design model. The schools will host various educational facilities such as science labs, language labs, information technology, sports and art halls, multipurpose halls, libraries and laboratories. In addition, the schools have been designed and constructed to provide outdoor spaces, sports fields, car parks and service buildings.

The eight schools were constructed by the Qatari Contractor: (Al Jaber Trading & Contracting Co.).

# QATAR REAL ESTATE INVESTMENTS CONTD...



Operational Projects



Ongoing Projects



Land Bank

## LAND BANK

### INVESTMENT OPPORTUNITIES

Barwa is currently studying a number of investment opportunities, including the phase three of Barwa Al Baraha, phase three of Barwa City, phase two of Dara project (Dara B-F), as well as the Barwa Al Doha land. A detailed studies is being prepared to determine the feasibility of the proposed design ideas and accomplish best use and return for the project.

# INTERNATIONAL REAL ESTATE INVESTMENTS

## MIXED USE & COMMERCIAL

London

### NORTH ROW PROPERTY

North Row property is located in the prestigious Mayfair area of London's West End, near Oxford Street. It was redeveloped and thoroughly refurbished in 2013 into high-quality offices on an area totalling around 24,000 square feet.

London

### CAVENDISH PROPERTY

Boasting a sought-after location overlooking Cavendish Square, this building dates back to the forties of the 18th century. It extends over 11,156 square feet equivalent to six floors of premium serviced office space.

## LAND BANK

Cyprus

### LARNACA LAND

The land plot of 54,670 square meters is located in Larnaca Bay, southern Cyprus in the heart of the island's touristic quarter near the city of Larnaca.

Morocco

### FEZ PROJECT

The project consists of 3 traditional Arabic houses built in the Moroccan style from the 19th century. Extending over a land plot of 3,300 square meters.

Bahrain

### BAHRAIN BAY PROJECT

The project is located in Bahrain Bay, facing the beachfront with a total land area of 12,475 square metres.



## INDEPENDENT SUBSIDIARIES

### ● WASEEF

Waseef, a subsidiary of Barwa Real Estate, is one of the largest fully integrated, Property and Facility Management services companies in Qatar, that offers a “one-stop-shop” and full-service solution to its clients.



Waseef, a subsidiary of Barwa Real Estate, is one of the largest fully integrated Property and Facility Management services companies in Qatar.

Waseef provides services related to property management and facility management operations to Barwa’s real estate projects, which include Masaken Mesaimeer, Masaken Al-Sailiya, Barwa Village, Barwa Al Sadd, Barwa Al Baraha Workers Accommodation, Barwa Al Khor-Shell Housing, Al-Khor Workers Sports Complex, Madinat Mawater Phases 1 & 2, Al-Baraha Workshops & Storages and Mukaynis Compound, Affordable Residential City.

In addition to its already massive portfolio, Waseef has been managing all 25 Al Aqaria real estate projects

beginning Q1 2019. This includes eleven Al-Khor Housing Projects, four Workers Villages, three commercial centers in Mesaieed, three commercial markets and one Workers Accommodation in Dukhan, one Labor Village in Ras Laffan, Alaqaria Tower and Asas Twin Tower.

Waseef further extended its quality service offerings to external clients with prominent projects, such as The Commercial Avenue, Mesaimeer City, Manateq – Economic Zones, Hassad’s three Central Markets (Umm Salal, Al Sailiyah and Wakrah), Al Erkyah City and Yasmeen City. Its recently completed projects were the 44 Al Furjan Markets, Museum of Islamic Arts and MIA Park.

Waseef secured its partnership with Qatar Free Zone Authority and will be providing its interim

Facility Management Services at Ras Bufontas and Um Al Houl Free Zones since Q1 2020.

With in-house Call Center and specialty software for property management, accounting, procurement and facility management, its Customer Service teams are focused on serving client’s needs in a thoroughly professional manner. Waseef is constantly implementing unified systems to stay on the forefront of technological advancement and to improve the lifestyle for our tenants continuously.

With the goal of serving not only Barwa but all of Qatar, Waseef is poised to be the most progressive leader in property and facility management in Qatar and the Middle East.

### ● QATAR PROJECT MANAGEMENT - QPM

QPM provides unrivaled real estate and infrastructure Project Management services that perpetuate world-class standards in the industry.



QPM, a subsidiary of the Barwa Real Estate Group, is a leading provider of world class project management services in the State of Qatar. Established in 2008, QPM successfully manages and delivers various large-scale projects for prestigious clients in Qatar and the region.

The company is well positioned and has extensive experience to provide services for a variety of construction Projects including but not limited to civil infrastructure, commercial, leisure, real estate, and residential projects within the growing global marketplace.

QPM’s expertise is grounded in a full range of professional project management services that include project management,

design management, construction management, Programme Management, Contracts & Claims Management amongst other offerings that are tailored to the client’s exact requirements.

One of QPM’s goals is to maintain a world-class standard of project management. This is achieved by investing in the latest Project Management technologies and employing a highly skilled and experienced team of professionals.

Since its establishment, QPM has achieved excellent growth in both domestic and regional arena’s throughout the years. The Company is currently managing several Iconic mega projects and has successfully delivered its integrated

Project Management services for numerous developments from the initial concept phase through to commissioning and handover.

# INTERNATIONAL ASSOCIATE COMPANIES

- NUZUL HOLDINGS

📍 Bahrain

Nuzul Holdings is a joint stock company incorporated in Bahrain, and focused on owning and operating of serviced apartments. The company has currently invested in the 118-unit Somerset Al Fateh in Manama, Bahrain, and apartments in the Burj Al Jewar development in Mecca, Saudi Arabia.

- SHAZA HOTELS COMPANY

📍 Doha, Saudi Arabia, Oman, United Arab Emirates

Formed in partnership with Kempinski Hotels and Resorts, the company's core business comprises of management of contemporary and luxury hotels. As an operator, Shaza is uniquely positioned in that it exclusively operates dry five-star hotels under the brand name "Shaza Hotels" and dry four-star hotels under the brand name "Mysk". Shaza stands out amongst hotel brands as it is designed specifically with the preferences and characteristics of intraregional travelers in mind and celebrates the rich hospitality of the cultures along the Silk Route.

# BOARD OF DIRECTORS



*HIS EXCELLENCY*  
**ENG. ABDULLAH BIN  
HAMAD AL ATTIYAH**  
*Chairman of the Board  
of Directors*

Eng. Abdullah bin Hamad Al Attiyah holds MSc in Chemical Engineering from the University of Nottingham, United Kingdom and a bachelor's degree in mechanical engineering from Cardiff University, United Kingdom. Eng. Al Attiyah has an extensive and vast work experience in many sectors in the country, where he started his career with Qatar Petroleum as Operations Engineer until 2011 when he moved to Ras Gas as a Senior Project Engineer and progressed in 2012 to Onshore Development and Planning Manager.

In 2014, Eng. Al-Attiyah assumed new duties as the Acting Executive Director of the Program Management Office at the Supreme Committee for Delivery and Legacy, before promoting his career and occupying in 2015 the position of Director of the Technical Office in the Public Works Authority "Ashghal". Eng. Al-Attiyah progressed in positions until he became Assistant Chairman of the Ashghal Authority until the year 2018, when he was appointed as Deputy Chairman of the Board of Directors of Qatar Primary Materials Company, until he was subsequently assigned by the Board to assume the duties of the acting CEO of the company until early May 2018. He is also a board member of Mazaya Company as a representative of the Qatar Investment Authority. It should be noted that during the same period, specifically in January 2017, Engineer Abdullah Al-Attiyah was appointed as a member of the Board of Directors of Qatari Diar Real Estate Investment Company, and in July 2018 he assumed the position of CEO of the company.



**FAISAL ABDULWAHED  
AL HAMADI**  
*DEPUTY CHAIRMAN*

Mr. Faisal Al Hamadi is the CIO for Qatar Portfolio at the Qatar Investment Authority (QIA), responsible for managing all listed and unlisted investment located in Qatar across various sectors. Faisal joined QIA in 2006 and held several roles including head of Asset Management from 2008 to 2014.

In 2015, he served as an advisor in the Supreme Council of Economic affairs and Investments and in 2017 he became the CIO of the Pension Fund at the General Retirement and Social Insurance Authority (GRSIA). He holds various board membership including Hassad Food Company, where he serves as Chairman. He is also the Chairman of the Board of Directors of Widam Food Company. Other current board memberships including Qatar Fuel Company, Qatar Gas Transportation Company (Nakilat) and the General Retirement & Social Insurance Authority (Qatar Pension Fund).

Mr. Al Hamadi held other board memberships including Vice Chairman of the board and Chairman of investment committee at the Qatar Electricity and Water Company. He also held board memberships at Masraf Al Rayan and Songbird Estates. He was also an Advisor to the Supreme Council for Economic Affairs and Investments.

Mr. Faisal Al Hamadi holds Master of Science of Finance from American University - USA, and a bachelor's degree in Business Administration from Qatar University, He also obtained a certificate of Chartered Financial Analyst (CFA) - Designation earned in 2006.



**AHMAD MOHAMMAD TAYEB**  
*Board Member*

Mr. Ahmed Mohamed Tayeb is currently working as Chief of Investments at the Qatari Diar Real Estate Investment Company in which he manages a portfolio of 35 billion USD. Mr. Ahmed Tayeb started his career with the Qatari Special Forces - Ministry of Interior in the Communications and Operations Department for seven years. After that he joined the Ras Gas Company for six years, worked on a number of its projects, then joined the Amiri Diwan to work on projects for two years, and before joining Qatari Diar Company he worked for two years in the Project Management Office of the Supreme Committee for Delivery & Legacy. Prior to that Mr. Ahmed Tayeb managed the family's business. He is also a chairman and member of several boards of directors of a group of companies inside the country. Mr. Ahmed holds a Master degree in Electrical Engineering from the University of Colorado Denver in the United States.



# BOARD OF DIRECTORS

CONTD..



MR. NASSER BIN SULTAN  
NASSER AL-HEMAIDI

*Board Member*

Mr. Nasser Al-Hemaidi is a member of several boards of directors of Qatari shareholding companies. He is a member of the Board of Directors of Qatar Fuel Company WOQOD since 2008 and also a member of the Board of Directors of Qatar National Cement Company. He also served as the Financial Director of the Qatar Olympic Committee as well as being a businessman involved in various business and economic activities. Mr. Nasser Al Hemaidi holds a Bachelor's Degree in Business Administration.



MR. HAMAD DASHIN  
AL-QAHTANI

*Board Member*

Mr. Hamad Dashin Al-Qahtani has held several positions within Qatar Development Bank. He currently serves as the General Manager of Bedaya Center. Prior to this role, he held the position of General Manager at Qatar Business Incubation Center (QBIC). Additionally, he served as the Head of Small and Medium Enterprises' Incubation and Acceleration, and previously held the role of Senior Manager for Customer Relations in the Project Financing Department. Subsequently, he became the Department Head.

Mr. Hamad had previously worked at Commercial Bank as a Customer Relations Manager in the Project Financing Department after spending seven years as an employee at Qatar Energy. Mr. Al-Qahtani holds a Bachelor's degree in Software Engineering from Leeds Metropolitan University in the United Kingdom and a Diploma in Computer Science from the University of Ottawa in Canada.



MR. AHMAD BIN  
KHALID AL-GHANIM

*Board Member*

Mr. Ahmad bin Khalid Al-Ghanim holds the position of Acting Director of the Prevention Department at the General Directorate of Civil Defense at the Ministry of Interior after he headed the Engineering Plans section in it. Mr. Al-Ghanim is a member of a number of committees, including the Engineers Admission Committee as a representative of the Ministry of Interior and Civil Defense, a member of the Committee for the Study of Planning Requirements at the Ministry of Municipality and Environment. He participated in many coordination meetings for major projects in the country, and he also attended several meetings for GCC Civil Defense Directors, as a representative of the General Directorate of Civil Defense. Mr. Ahmad bin Khalid Al-Ghanim holds a Bachelor's degree in Engineering from Eastern Kentucky University (EKU), USA.



DR. ABDULRAHMAN  
MOHAMMED AL-KHAYARIN

*Board Member*

Dr. Abdulrahman bin Muhammad Al-Khayarin held the position of CEO of Widam Food Company and was subsequently appointed as an advisor to the company's Board of Directors. He also previously worked in the field of real estate investment in Qatari Diar, and he is registered as a real estate expert in the Ministry of Justice. He is a member in the Board of Directors of Masraf Al Rayan. Dr. Al-Khayarin holds many university degrees, the last of which is a Ph.D. in Urban Planning from the University of Wales Trinity Saint David in the United Kingdom.



**CORPORATE  
GOVERNANCE  
REPORT**



# CORPORATE GOVERNANCE REPORT

## DEFINITIONS

- **Information**  
Information, data, and documents related to the establishment of the company and its activities, and its reports and other information that the company must disclose and make it available to shareholders and enable them to access and obtain them according to the law and the provisions of this system and other legislations of the Authority.
- **The Authority**  
Qatar Financial Markets Authority (QFMA).
- **Board's Charter:**  
The Charter prepared by the Board to define its tasks, responsibilities and the duties of its Chairman and members.
- **The Board:**  
The Board of Directors of the listed company or the one that manages the listed legal entity, as appropriate.
- **Board's Secretary:**  
The person appointed by the Board of Directors, in accordance with the requirements of the corporate governance system, and who is responsible for organizing and coordinating matters related to the Board and the company.
- **Chairman:**  
The chairman of the company's board of directors is responsible for managing the company in accordance with the law, its articles of association and foundation.
- **Governance:**  
The system by which the company is managed and controlled and defines the basis and principles of the distribution of rights and responsibilities among the various stakeholders of the company, such as board members, managers, shareholders and other stakeholders, and clarifies the basis and procedures for taking decisions related to the affairs of the company.
- **Governance report:**  
It is an independent annual report that includes the company's disclosure of its commitment to apply the principles and provisions of the governance system, to be approved by the Chairman and to be submitted to the Authority along with the company's annual report.
- **Cumulative Voting:**  
It is a voting method for selecting members of the Board of Directors. Each shareholder is granted a voting power for the number of shares he owns, so that he has the right to vote for one nominee or divide it among those he chooses from the nominees without any repetition of these votes.
- **External Auditor:**  
The person authorized in accordance with the provisions of the law and registered in the Authority's external auditors list to review and audit the financial statements and data and express an opinion thereon, in accordance with the principles of the profession and international auditing standards or auditing standards related to the Islamic financial institution and obtain confirmation of whether the financial statements are free from material misstatements in addition to the liquidation.
- **Independent Member:**  
He is a member of the Board of Directors who enjoys complete independence, except for the following examples and not limited to:
  - a. To be the owner of at least (1%) of the company's shares or any of its subsidiaries.
  - b. To be a representative of a legal person who owns at least (5%) of the shares of the company or any of its subsidiaries.
  - c. To be in the senior executive management of the company or any of its subsidiaries during the year preceding the elections of the Board.
  - d. To have a relative of first degree with any member of the Board of Directors or the senior executive management of the company, or in any of its subsidiaries.
  - e. To be a member of the board of directors of any subsidiary of the company nominating for a membership in its board of directors.
  - f. To be an employee during the two years preceding the elections of the Board with any of the parties associated with the company or any of its subsidiaries, such as certified accountants and major suppliers, or to own control shares with any of these parties during the two years preceding the elections of the Board.
  - g. Has direct or indirect transactions with the company or any of its subsidiaries during the two years preceding the elections of the Board.
- **Senior Executive Management:**  
Chief executive officer and other executives directly reporting to him, including the heads of the internal control.
- **Internal Control:**  
Financial auditing, performance evaluation, and risk management performed by one or more independent function of the company.
- **Major Deal:**  
Any connected deal or group of deals aimed at owning, selling, leasing, exchanging or disposing (except for the creation of guarantees) of the company's assets or assets that the company will acquire or that will change the basic nature of the company's business; or that its total value exceeds (10%) of the lowest value between the market value of the company or the net asset value of the company according to the latest published financial statements.
- **Market:**  
It is the main market in Qatar Stock Exchange.
- **Non-Executive Member:**  
He is a member of the Board of Directors who is not available to manage the company and does not receive a pay for it.
- **Related Party:**  
A person is considered a related to the company if he is a member of the board of directors of the company or any of its subsidiaries, or in the senior executive management of the company or any of its subsidiaries, or if he owns at least (5%) of the shares of the company or of its subsidiaries, or is a relative of any of the former Board members up to the second degree, and every legal person who is under control of a member of the company's board of directors or any of its subsidiaries or its senior executive management and their relatives up to the second degree, or who is involved in a project or company of any kind with the company or any company in its group.
- **Stakeholders**  
Everyone who has an interest with the company based on a right or legal status such as shareholders, employees, creditors, customers, suppliers and others.



# CORPORATE GOVERNANCE REPORT

## MESSAGE OF THE CHAIRMAN OF THE BOARD

*Dear Esteemed Shareholders,*

*May Allah's Peace and blessings be upon you,*

It is my pleasure, on behalf of myself and my fellow members of the Board of Directors, to present to you the Annual Governance Report for Barwa Real Estate Company (Qatari Public Shareholding Company) for the year 2023. This report covers the governance practices adopted by the company, in accordance with the Corporate Governance System for Listed Companies and Entities in the Main Market, as issued by the Qatar Financial Markets Authority under Decision No. 5 of 2016, and other relevant international frameworks.

Aligned with the company's vision and core values of leadership, commitment, credibility, teamwork, and integrity, Barwa Real Estate is committed to governance principles. We strive diligently to achieve the highest global standards and apply the best international governance practices.

Barwa Real Estate embraces the highest standards of disclosure and transparency within the framework of sound governance, tailored to the company's operations and activities in line with the surrounding developments. The company is committed to providing accurate, comprehensive, and up-to-date information to shareholders within a transparent framework.

In our commitment to meet the requirements of the competent authorities in the State of Qatar and our aspiration for continuous improvement in the company's operations and performance, we are keen to issue an annual governance report to be presented to the company's shareholders at the General Assembly meeting.

*May Allah grant us success,*

**Abdullah Bin Hamad Al-Attiyah**  
Chairman of the Board of Directors

### 1. PREFACE

Corporate governance is considered one of the most important pillars on which Barwa relies on to establish a culture of openness, transparency and clarity in its commercial and administrative dealings, in order to protect the rights of investors, the rights of other stakeholders, and minority shareholders to rectify its business and manage it in line with international best practices and approved regulatory frameworks.

Corporate governance laws are defined as the principles that regulate the relations between the main parties in the company (members of the board of directors, executive management, shareholders ...) to achieve one purpose of distributing rights and responsibilities among the various participants and other stakeholders.

Corporate governance is an integral part of the culture of Barwa Real Estate Company and its commercial practices. Corporate governance for Barwa Real Estate Company aims to establish and achieve the following objectives:

- **Transparency:** Clarity in the company's commercial and operational processes, avoiding ambiguity, confidentiality and misinformation, and making all matters achievable and assured.
- **Accountability:** It is the shareholders' right to hold the organizational management accountable for its performance. This is a right guaranteed by the law and the company's articles of association. It also ensures the responsibility of the executive management before the Board and the responsibility of the Board before the shareholders.
- **Equality:** It is the equality between small and big investors, both domestic and foreign. Barwa's articles of association guarantees this principle in terms of equal voting rights, accountability, nomination, and access to information.
- **Responsibility:** It is the responsibility of Barwa to recognize the rights of stakeholders granted by law and encourage communication and participation between the company and stakeholders.

### 2. BOARD OF DIRECTORS REPORT ON COMPLIANCE WITH QATAR FINANCIAL MARKETS AUTHORITY REGULATIONS, INCLUDING CORPORATE GOVERNANCE SYSTEM FOR COMPANIES LISTED ON THE MAIN MARKET

The Board of Directors has assessed the company's compliance with the relevant regulations of Qatar Financial Markets Authority (the Authority), including the Corporate Governance System for companies and legal entities listed on the main market (the System) issued by the Authority. Based on this assessment, the company confirms its compliance with the provisions of the System in all substantive aspects.

### 3. GOVERNANCE FRAMEWORK AND POLICIES

Barwa Real Estate Company is committed to applying the highest levels of corporate governance in its daily dealings, by achieving full compliance with the laws of corporate governance of companies listed in the market, which is regulated by QFMA.

The guiding framework for Barwa Real Estate Company's governance system is provided by the corporate governance system and legal entities listed in the main market and issued by the Resolution of the Board of Directors of QFMA No. 5 of 2016, which was published in the Official Gazette on May 15, 2017, in addition to the applicable laws and other regulations in the State of Qatar and the Qatar Stock Exchange.

The company is constantly working on updating its policies and procedures to reflect the updates of the laws by the regulatory authorities, whenever is needed. Implementation of this, the company is in the process of reviewing its governance policies and procedures to make any necessary changes in accordance with the procedures outlined in Article 3 of the governance system.

# CORPORATE GOVERNANCE REPORT

## 3.1 NOMINATION POLICY

The Board of Directors is one of the most important elements that lay the foundation of corporate governance and draw its course towards success and progress. Therefore, it was necessary to establish a policy for the provisions that govern the membership of the Board in light of the company's articles of association and corporate governance rules issued by QFMA. This policy has facilitated access to all the provisions and controls that determine the criteria and procedures for the membership of the Board of Directors and facilitated practicing them. It has shown how the Board is formed, its membership term, the nomination conditions, and the membership qualities under which a board member can be specified, executive and non-executive, dependent and independent. The policy also clarified the mechanism of Board elections, cases in which membership ends and the procedures of filling vacant positions.

## 3.2 REMUNERATION POLICY

The Board of Directors of Barwa Real Estate Company adheres to the remuneration policy stipulated in Article (40) of the company's Articles of Association, as specified in the Commercial Companies Law, which, in its amendment issued in 2015, determined that the remuneration of board members shall not exceed (5%) of the net profit after deducting reserves, legal deductions, and profit distributions. The board presents a proposal for board members' remuneration to the General Assembly for approval.

## 3.3 CONFLICT OF INTEREST POLICY

Barwa Real Estate Company has adopted strict policies governing the transactions of insiders and conflict of interest that may arise from involving persons involved in trade and civil society to work as managers, executives and employees in Barwa Company. Barwa Company has set these policies to reveal these matters and avoid losing its objectivity, and to maintain the independence of decision-makers in a way that serves the interests of shareholders, as the company and all its employees are obliged to periodically disclose any common interests or operations between them or with any other party that has a direct relationship with the company.

## 3.4 DISCLOSURE POLICY

Barwa Real Estate Company adheres to the disclosure requirements established by the authority by developing a policy that aims to formally disclose the qualitative and quantitative information that the stakeholders disclose, and sets internal control systems to oversee the disclosure process. The company seeks to achieve financial transparency through the disclosure of financial reports, material information and information related to members of the Board of Directors and the executive management and disclosure of information for major shareholders or controlling shareholders, in accordance with the regulatory reporting requirements. This policy helps the board, executive management, and related company management understand their roles and responsibilities in the disclosure process.

## 3.5 EXTERNAL AUDITOR POLICY

The external audit is an integral part of the integrity of Barwa's business. In view of the importance of the external audit work, the company has developed a policy that regulates all external auditor affairs in full accordance with the relevant requirements and rules of governance.

Barwa Real Estate Company, in accordance with the decision of the General Assembly held on March 20, 2023, appointed EY as the company's external auditor for the fiscal year ending on December 31, 2023 based on the recommendation of the Board of Directors and the technical and financial offers obtained in light of the requirements of the governance system issued by the Qatar Financial Markets Authority.

EY is completely independent of the management of Barwa Real Estate Company and its Board of Directors and is registered in the auditors' register stipulated in Law No. (30) of 2004 regarding the regulation of the profession of auditing.

The total fee paid/payable to Ernst & Young for the year ended 31 December 2023 is QR 829 thousand for the audit services and QR 861 thousand for non-audit services including other assurance services.

## 4. BOARD OF DIRECTORS

The Board of Directors is the authority that has all the powers necessary to carry out the company's business except for those that fall within the jurisdiction of the General Assembly in accordance with the law or the company's articles of association. The Board of Directors of Barwa is the main administrative entity. Among his roles and responsibilities, to support the administrative structure, maintain the strategic direction, ensure efficiency and effectiveness, enhance the general situation, maintain integrity and accountability, respond to the demands of shareholders, attend relevant regular important meetings and help in preserving the mission and vision of Barwa Company, discuss or agree on internal audit reports, appoint external auditors and present ideas that would enhance the performance of the company's operations, including its subsidiaries, and implement effective governance.

### 4.1 FORMATION OF THE BOARD OF DIRECTORS

According to the company's articles of association, the company is managed by a board of directors consisting of seven members, three of them are appointed by the shareholder that owns the preferred stock according to the current percentage of his ownership of the shares. It is not permissible to dismiss any of them except by a decision from the owner of the preferred share, and the remaining four members are elected by the ordinary general assembly by secret ballot. The owner of the preferred stock does not participate in the voting process. The Board of Directors shall, by secret ballot, elect a Chairman and Vice-Chairman for a term of (3) years.

The following table shows the members of the Board of Directors for the year 2023:

Board Member	Position	Status
HE. Abdullah Hamad Al Attiyah	Chairman of the Board (Qatari Diar)	Non-Executive - Non-Independent
Faisal Al-Hammadi	Vice Chairman of the Board (Qatari Diar)	Non-Executive - Non-Independent
Ahmed Mohamed Tayeb	Board Member (Qatari Diar)	Non-Executive - Non-Independent
Nasser Sultan Al Hemaiddi	Elected Board Member	Non-Executive - Independent
Abdulrahman Mohamed Al-Khayarin	Elected Board Member	Non-Executive - Independent
Hamad Dashin Al-Qahtani	Elected Board Member	Non-Executive - Independent
Ahmed Khalid Al Ghanem	Elected Board Member	Non-Executive - Independent

### 4.2 ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS

The company's board of directors includes members with distinguished experiences, skills and competencies in various sectors. Kindly refer to Annexure 1 for more details about the experience of the Board members.

Below is a schedule showing the numbers of shares held by the Board members:

Board Member	Number of Reserved Shares for Board Membership	Number of Shares Owned in the Company as of 31/12/2022	Number of Shares Owned in the Company as of 31/12/2023
HE. Abdullah Hamad Al Attiyah (Qatari Diar)	0	16,010	16,010
Faisal Al-Hammadi (Qatari Diar)	0	0	0
Ahmed Mohamed Tayeb (Qatari Diar)	0	7,140	7,140
Nasser Sultan Al Hemaiddi	0	5,224,689	4,557,466
Abdulrahman Mohamed Al-Khayarin	0	1	0
Hamad Dashin Al-Qahtani	0	0	0
Ahmed Khalid Al Ghanem	0	0	0

# CORPORATE GOVERNANCE REPORT

## 4.3 DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Among the responsibilities of the Chairman is to lead the company to achieve its strategic goals and the appropriate return for the shareholders. He also takes the lead of the Board and oversees its role in full and adopts the agendas of the Board's meetings, in addition to discussing with the Board's members the recommendations, improvements, strategic initiatives, estimated budgets and available investment opportunities and ensuring that the Board performs the tasks entrusted to it. In addition to periodically discussing the general affairs of the company with the members of the Board and ensuring the existence of a mechanism to evaluate the performance of the members, as well as to communicating with the shareholders. The Chairman may assign some of his duties to the members, committees, managing director or CEO, as he deems appropriate. He also coordinates with the CEO regarding financial and human resources to achieve the desired goals and periodically monitors the company's overall performance through the CEO.

## 4.4 DUTIES OF THE BOARD MEMBERS

Non-executive board members give independent proposals on strategic issues and develop related proposals, they also study management performance in achieving the agreed goals, monitor the company's performance in achieving its agreed goals and objectives, oversee the development of procedures of corporate governance, and ensure that priority is given to the interest of the company and the shareholders in the event of any conflict of interests. Non-executive board members also review the integrity of information, controls and financial systems, and ensure the strength and integrity of these controls, and providing their diverse skills and expertise to the Board or its various committees through their active participation in Board meetings and public assemblies, and understand shareholder's opinions in a balanced and fair manner.

## 4.5 BOARD MEMBERS' RESPONSIBILITIES AND OBLIGATIONS:

The Board of Directors must perform its functions and tasks and assume responsibilities according to the following:

1. The Board must perform its tasks with responsibility, good faith, seriousness and concern, and its decisions should be based on adequate information from the executive management, or from any other reliable source.
2. The Board member represents all shareholders, and has to abide by what is in the interest of the company, not the interest of the company he represents or whomever voted for him to appoint him in the Board.
3. The Board must specify the authorities given to the executive management, decision-making procedures and the duration of the delegation, as well as determine the matters in which it is authorized for them to decide upon, and the executive management shall submit periodic reports on its exercise of the delegated authorities.
4. The Board should ensure that procedures are in place to familiarize the new Board members with the company's work, especially the financial and legal aspects, as well as train them if necessary.
5. The Board must ensure that the company provides adequate information about its business to all members of the Board in general and to non-executive board members in particular in order to enable them to carry out their duties and tasks efficiently.
6. The Board is not permitted to obtain loan contracts of a maturity exceeding three years, or sell or mortgage the company's real estate, or to absolve the company's debtors of their obligations unless it is authorized to do so in the company's system and under the conditions set out in it, and if the company's system includes provisions in this regard, then the Board may not perform the mentioned actions without getting permission from the General Assembly, unless such actions are included in the company's business.
7. Regular attendance at Board meetings and committees, and not withdrawing from the Board except for necessity and at an appropriate time.

8. Boosting the interest of the company, partners, shareholders and other stakeholders, and giving it priority over the personal interest.
9. Express an opinion on the strategic issues of the company, its policy in implementing its projects, the accountability systems of its employees, its resources, basic appointments, and their applicable standards.
10. Monitor the company's performance in achieving its goals and objectives, and review reports on its performance, including annual, semi-annual and quarterly reports.
11. Supervise the development of the governance procedures, and work on implementing them in an optimal manner in accordance with this system.
12. Exploiting their various skills and experiences by diversifying their competencies and qualifications in managing the company in an effective and productive way, and working to achieve the interest of the company, partners, shareholders and other stakeholders.
13. Effective participation in the general assembly of the company, and achieving the demands of its members in a balanced and fair manner.
14. Not to make any declarations, statements or information without prior written permission of the Chairman or his delegate, and the Board shall designate the company's spokesperson.
15. Disclosure of financial and commercial relations, and judicial cases that may negatively affect the performance of the tasks and functions assigned to them.

## 4.6 BOARD'S CODE OF CONDUCT

Barwa's Board is committed to the highest levels of commercial integrity and conduct and to "code of ethics and professional conduct", and to the job description details stipulated in Barwa's Corporate Governance Manual and Policies. The Board is the representative of the interests of the shareholders in the company, as all members must apply the company's values, and practice all their dealings with honesty and integrity. The Board members also act in good faith and in the interest of Barwa and the shareholders, in addition to promoting a culture of moral behavior.

## 4.7 BOARD'S CHARTER

The company has developed a "Board Charter" to assist its Board of Directors in exercising its powers and performing its duties. The charter outlines the purpose of the board, its composition, roles, responsibilities, meeting procedures, quorum, and decisions. It has been published on the company's website to serve as a general reference for stakeholders.

## 4.8 SEPARATION OF TASKS

The company pursues the principle of separation between the position of Chairman of the Board and any executive position the company, where His Excellency Abdullah Bin Hamad Al-Attiyah occupies the position of Chairman of the Board of Directors, while Mr. Abdullah bin Jubara Al-Rumaihi occupies the position of the CEO of Barwa Real Estate Company.

## 4.9 PROHIBITION OF COMBINING POSITIONS

It is prohibited for anyone, whether in person or in capacity, neither to be a Board Chairman or a Vice chairman for more than two companies having their headquarters located in the State, nor to be a Board member for more than three companies whose headquarters located in the State, nor to be a Managing Director in more than one Company having their headquartered located in the State, nor to combine two memberships of two companies exercising a homogenous activity.

Further, it is also prohibited to combine the position of the Board Chairman with any other executive position in the Company. The Chairman shall not to be a member of any of the Board committees.

The Chairman and the members of the Board must submit an annual acknowledgment that no one of them shall combine the prohibited positions according to the Law. The Secretary shall keep such acknowledgment in the file prepared for this purpose.



# CORPORATE GOVERNANCE REPORT

The memberships of the members of the Board of Directors in other listed companies are listed below:

Board Member's Name	Memberships in Other Joint-Stock Companies
HE. Abdullah Bin Hamad Al-Attiyah (Representative of Qatari Diar)	United Development Company
Faisal Al-Hammadi (Representative of Qatari Diar)	Nakilat Company, Widam Company, Woqod Company
Ahmed Mohamed Tayeb (Representative of Qatari Diar)	-
Nasser Sultan Al Hemaidi	Qatar National Cement Company, Woqod Company
Abdulrahman Mohamed Al-Khayarin	Masraf Al Rayan
Hamad Dashin Al-Qahtani	-
Ahmed Khalid Al Ghanem	-

#### 4.10 BOARD MEETINGS

Board meetings are held regularly in accordance with the requirements of the Commercial Companies Law No. (11) of 2015, the company's articles of association, the corporate governance system and legal entities listed in the main market issued by the Qatar Financial Markets Authority (QFMA).

The Secretary of the Board of Directors shall record in the minutes of the meetings of the Board and its committees the names of the attending members and ensure meeting the required quorum of the meetings. All members of the Board of Directors attended the Board Meetings as required and according to the Governance Code.

The Board Secretary keeps the minutes of the Board's meetings and distributes agendas of the meetings. The Board of Directors of Barwa Real Estate Company held (7) meetings during 2023, during which the topics, strategies and projects of the company were discussed.

#### 4.11 EVALUATION OF BOARD MEMBERS' PERFORMANCE

The Remuneration and Nominations Committee undertakes the evaluation process on an annual basis in accordance with the methodology adopted by the Board of Directors in the company's governance system during the year by providing an appropriate system to monitor the performance of the Board and to ensure that Board members are fully fulfilling their role and responsibilities.

All members of the Board of Directors carried out a self-assessment that determines the extent of their satisfaction with their performance as a member of the Board of Directors, and the evaluation results were satisfactory.

#### 4.12 BOARD REMUNERATION

The value of the Board's remuneration for the fiscal period ending on 31 December 2023 amounted to 12,000 thousand Qatari riyals.

The members received allowances for attending committee meetings for the year ending on December 31, 2023, with an amount of 1,900 thousand Qatari riyals.

#### 4.13 BOARD SECRETARY

A secretary has been appointed to the company's Board with university qualifications and relevant work experience. The terms of reference and job description govern the functions of the Board's secretary in the corporate governance system. He is responsible for preparing agenda items for Board meetings, drafting the minutes of meeting, and coordinating between Board members, and between the Board and other

stakeholders, including shareholders, management and employees, in addition to archiving, organizing and maintaining records of Board meeting minutes, documents and reports related to the work of the Board and its committees and related correspondence, in addition to ensuring communication and flow of information between the Board, the executive management and shareholders.

## 5. BOARD COMMITTEES

The Company's Board of Directors has a flexible administrative model to facilitate the conduct of its works. The pillars of this model are based on the formation of three committees from the Board of Directors (Executive Committee - Nomination and Remuneration Committee - Audit Committee). Each committee plays a fundamental role in helping the Board to carry out the tasks and duties assigned to it in managing the company effectively.

Board committees adhere to their detailed terms of reference, and report regularly to the Board on their actions and deliberations. The Board approves the formation of these committees and their terms of reference. In this regard, the Board is committed to implementing the provisions of the governance system.

**Below are the Board committees, tasks and members of each committee during 2023:**

#### 5.1 AUDIT COMMITTEE

The Audit Committee of Barwa Real Estate Company consists of three members chaired by an independent member with financial experience in the audit field. The Audit Committee monitors financial and accounting policies and financial and internal controls on a regular basis. The Internal Audit Department reports directly to the Audit Committee to ensure the independence of these internal controls. The Committee also recommends the external auditors to the Board for approval at the annual general assembly and manages them.

The Audit Committee held (8) meetings during the year 2023.

#### Members of the Audit Committee for the year 2023:

Mr. Nasser Sultan Al Hemaidi	Chairman	Non-Executive-Independent
Mr. Ahmed Mohamed Tayeb	Member	Non-Executive-Non-Independent
Mr. Ahmed Khalid Al Ghanem	Member	Non-Executive-Independent

#### The committee accomplished several important tasks in 2023, including:

1. Discussion of the auditor's reports on the financial statements for the year 2022 and recommendation to the board.
2. Review of the quarterly and final semi-annual financial results for the fiscal year 2023 and recommendation to the board.
3. Proposal to the board regarding the appointment of auditors for the fiscal year 2023 and their estimated fees.
4. Proposal to the board regarding the appointment of a Sharia supervisory board for the fiscal year 2023 and their estimated fees.
5. Development of an internal audit plan for the year 2024.
6. Monitoring the implementation of the audit plan and making recommendations to the board.
7. Approval of the internal audit department's budget for the year 2024.

Based on the annual evaluation, the board is satisfied with the committee's performance in executing its responsibilities, authorities, and recommendations during the year ended December 31, 2023.

#### 5.2 REMUNERATION AND NOMINATION COMMITTEE:

Remuneration and Nomination Committee of Barwa Real Estate Company consists of three members, responsible for developing transparent procedures for the nomination and appointment of Board members, determining their responsibilities and ensuring the availability of appropriate skills and their adherence to deadlines.

# CORPORATE GOVERNANCE REPORT

The committee also undertakes the task of supervising the evaluation of the Board and the administration, supervising the corporate governance affairs of the Board, including drafting and recommending governance principles and policies, and defining the remuneration policy in the company, including the remuneration of the Chairman, and all members of the Board and senior executive management receive.

The Nomination and Remuneration Committee held (2) meetings during the year 2023.

Members of the Nomination and Remuneration Committee for the year 2023:

Mr. Ahmed Khalid Al Ghanem	Chairman	Non-Executive Independent
Mr. Faisal Al-Hammadi	Member	Non-Executive Non-Independent
Mr. Hamad Dashin Al-Qahtani	Member	Non-Executive Independent

**The committee accomplished several important tasks in 2023, including:**

1. Review and discussion of the company's employee compensation mechanism and the group's CEO.
2. Proposal to the board for the annual compensation of board members and the compensation of board committee members.
3. Discussion of the performance evaluation of board members and their committees.

Based on the annual evaluation, the board is satisfied with the committee's performance in executing its responsibilities, authorities, and recommendations during the year ended December 31, 2023.

## 5.2 EXECUTIVE COMMITTEE

The Executive Committee of Barwa Real Estate Company consists of four non-executive members who were appointed by the Board to perform the role of the Board's advisory body, review the business strategy, the annual budget, and the capital structure of Barwa and provide recommendations to the entire Board.

The Executive Committee held (5) meetings during 2023:

Members of the Executive Committee for the year 2023:

HE. Abdullah Bin Hamad Al-Attayah	Chairman	Non-Executive-Non-Independent
Mr. Abdulrahman Mohamed Al-Khayarin	Member	Non-Executive-Independent
Mr. Ahmed Mohamed Tayeb	Member	Non-Executive-Non-Independent
Mr. Faisal Al-Hammadi	Member	Non-Executive-Non-Independent

The committee's major achievements for the year 2023 are the following:

1. Discuss the estimated budget for 2024 and submit the recommendation to the Board of Directors.
2. Discuss the performance indicators for the year 2024 and submit the recommendation to the Board of Directors.
3. Study a set of financing and refinancing offers for the company and submit the recommendation to the Board of Directors.
4. Review the feasibility studies of a group of projects and submit the recommendation to the Board of Directors.
5. Follow up on the implementation of the company's projects.
6. Study the proposal to amend the organizational structure of the company.
7. Review the company's cash position

Based on the annual evaluation, the board is satisfied with the committee's performance in executing its responsibilities, authorities, and recommendations during the year ended December 31, 2023.

## 6. EXECUTIVE MANAGEMENT

The primary responsibilities of the Group Chief Executive Officer are as follows:

1. Implement the management's framework set by the Board.
2. Assume full responsibility before the board for all operational aspects of Barwa and its performance.
3. Ensure the existence of an effective executive team.
4. Ensure the presence of a suitable Operational planning system, Risk Management and Internal Control.
5. Monitor operations and financial results closely according to the plans and budget.
6. Supervise Barwa's key initiatives.
7. Compliance with the regulatory requirements

### Responsibilities of the Executive Management:

The senior Executive Management team assumes the responsibilities assigned by the Group Chief Executive Officer. Their responsibilities should be clearly outlined in their job descriptions.

The senior Executive Management is empowered to perform all necessary actions and procedures, subject to the limitations specified in the policies and the Delegation of Authority, in order to achieve its objectives.

### Mr. Abdullah bin Jubara Al-Rumaihi:

Mr. Abdullah bin Jubara Al-Rumaihi currently holds the position of Chief Executive Officer of the Group and Chairman of the Board of Directors of Qatar Project Management Company. Previously, he served as the CEO of Waseef Asset Management Company and Deputy Chairman of the Board of Directors of Qatar Project Management Company. He has also held various managerial and supervisory positions in several subsidiary and affiliate companies of Barwa Group. Al-Rumaihi previously served as the Director of Audit for Barwa Real Estate Group, Chief Operations Officer and Project Director at Barwa Bank, and Chairman of the Board and Managing Director of Amlak Finance Company. He has held numerous managerial positions in sectors related to project management and general administration.

He holds a master's and bachelor's degree in Management and Information Systems from universities in the United Kingdom, in addition to an Executive Management Program from the University of Virginia in the United States.

Al-Rumaihi has over 30 years of practical experience in managerial, financial, and strategic leadership, as well as operations management in diverse sectors including real estate development, asset management, facilities, banking and financial services, and information technology.

He is a Fellow member of the Chartered Management Institute (CMI) and has participated in numerous executive courses and developmental tasks in various fields such as financial management, investment, governance, and strategies. Al-Rumaihi has a track record of successful leadership in institutions and the ability to develop and employ their resources to achieve their vision, goals, and best practices within dynamic, moving, and changing institutions.

### Mr. Tamer El-Sayed:

Mr. Tamer El Sayed Mohammed has been serving as the Chief Financial Officer of the Group since May 2014. He joined Barwa Group in 2008 and currently serves as a board member for several subsidiary companies.

Mr. Tamer holds a Bachelor of Commerce degree with a specialization in Accounting from Cairo University. He also holds several international professional qualifications such as CPA and CMA, and is preparing for the CFA Level III exam.

Mr. Tamer's professional experience spans over 23 years in external auditing and financial affairs in various global institutions and companies.

# CORPORATE GOVERNANCE REPORT

## Mr. Youssef Ahmed Al-Binali:

Mr. Youssef Ahmed Al-Binali has been serving as the Chief Corporate Operations Officer of the Company since April 2017. He has progressed through various positions during his career, which began in 1995 in several companies and institutions including Qatar Petroleum, the Ministry of Education and Higher Education, and Qatar Charity Foundation. He also serves as a member of executive management committees.

Mr. Al-Binali graduated from Qatar University in 1999 with a Diploma in Technology Management specializing in Office Administration.

## Mrs. Dana Abdulaziz Al-Ansari:

Mrs. Dana Abdulaziz Al-Ansari currently serves as the Director of Legal Affairs and Compliance for the Group, a position she has held since January 2018. Prior to this, she served as the Manager of Litigation and Corporate Affairs at Barwa Group and as a Senior Legal Counsel. She has held various other positions since joining the group in 2006.

Additionally, she holds board membership in several subsidiary and sister companies of Barwa Group, along with membership in some of the company's administrative committees.

She holds a Bachelor's degree in Law from Qatar University and an Executive Master's degree in Law from Northwestern University in the United States, as well as a Diploma in Business Administration from IE Business School.

Her experience spans legal areas such as investment, trade, contracting, contracts, companies, and labor, as well as regulatory areas such as compliance, government, and internal controls.

## Mr. Mohamed Ibrahim Al-Emadi:

Mr. Mohamed Ibrahim Al-Emadi has been serving as the Head of Asset Management Department for Barwa Real Estate Group since July 2020. He has held various other positions throughout his professional career, starting as a maintenance engineer and later working as the Maintenance Department Manager at Qatar Steel from 1995 to 2008.

He also served as the Head of Real Estate Asset Management Department at Qatar Real Estate Investments Company from 2008 to 2018. Later, he held the position of Projects Sector Manager at Waseef Asset Management Company from 2018 until July 2020.

Mr. Al-Emadi holds a Bachelor's degree in Industrial and Systems Engineering from the University of Southern California (USC) in 1995.

## Mr. Ahmed Ibrahim Al-Darwish:

Engineer Ahmed Ibrahim Al-Darwish currently serves as the Head of Real Estate Development Sector at Barwa Real Estate Group. With nearly 19 years of experience, Engineer Ahmed Ibrahim Al-Darwish previously worked at RasGas, where he held various positions including Head of Human Resources and Head of Administrative Sector. He then moved to work at Q-Chem as Head of Administrative Sector.

He holds a Bachelor's degree in Civil Engineering from Qatar University, as well as a Master's degree in Business Administration from Hult International Business School in the United Kingdom, and a Master's degree in Project Management from George Washington University in the United States.

## Shares owned by the Executive Management:

1. Mr. Youssef Ahmed Al-Benali - Head of Institutional Operations for the company, owns 5,410 shares.
2. Mr. Hassan Jumaa Al-Muhannadi - Head of Internal Audit Affairs for the company, owns 12,140 shares.
3. Mr. Ahmed Ibrahim Al-Darwish - Head of Real Estate Development Sector, owns 2,110 shares.

## Executive Management Remunerations and Compensations for 2023

The total remuneration and compensation of the executive management for the financial period ended December 31, 2023 amounted to 22,044 thousand Qatari riyals

## Achievements of Executive Management in 2023:

1. Land in Lusail Golf was sold for 6.4 billion Qatari Riyals, resulting in a sales profit of 471 million Qatari Riyals. The proceeds from the sale were used to repay the group's financing, significantly contributing to reducing financial expenses. A portion of the sales proceeds amounting to 3.6 billion Qatari Riyals was collected in 2023 and fully utilized to repay the group's financing. Additionally, 1.1 billion Qatari Riyals was collected in January 2024, with the remaining balance expected to be collected in the second quarter of 2024.
2. Refinancing of financial commitments totaling 4.9 billion Qatari Riyals was completed, with financing costs and repayment terms improved to enhance the group's cash flows.
3. Settlement of outstanding debts with several key clients of the group resulted in the collection of overdue amounts exceeding 340 million Qatari Riyals.
4. Diversified investments in stocks were sold for 59 million Qatari Riyals, supporting the group's cash position.
5. A contract was signed for the sale of the Marrakech property owned by the group for an amount equivalent to 19 million US dollars, further strengthening the group's cash position. The sale was completed in a later period in 2024.
6. The projects "Madinatna" and "Argentine Neighborhood" were handed over by the Supreme Committee for Delivery and Legacy after the end of the lease period, with full collection of the due rent.
7. The residential project "Madinatna" was launched for rent, with 2,940 apartments leased, equivalent to 43.4% of the project as of December 31, 2023.
8. The "Argentine Neighborhood" project for worker housing was launched for rent, with 427 residential units leased, equivalent to 30.4% of the project as of December 31, 2023.
9. A contract was signed with Woqod Company to establish a vehicle inspection center (FAHES) in Madinat Al Mawater project.
10. A contract was signed to establish a driving school in Madinat Al Mawater.
11. Completion of the evaluation and study of the training needs of Barwa Real Estate employees and the provision of suitable training courses in collaboration with Qatar University.
12. Completion of the second phase of the modern Oracle (Fusion) cloud transformation, which has been a qualitative leap in improving the work mechanisms across all departments

Based on the annual evaluation, the Board is satisfied with the performance of the Executive Management in implementing its responsibilities, authorities and the recommendations it presented during the year ended December 31, 2023.

## 7. INTERNAL CONTROL OVER FINANCIAL REPORTING OVER FINANCIAL REPORTING

The Board is fully responsible for the company's internal control system, and the purpose of this system is to establish trustworthy standards and regulations that contain the means of internal control and these controls are to ensure the accuracy and credibility of Barwa's accounts and records, the integrity of transaction licenses and the protection of group assets. The purpose of the internal control system is to disclose any risks that threaten Barwa's position or to comply with the regulations in order to set the record straight.

It is worth noting that the company evaluated the Internal Control over financial reporting at the end of the fiscal year 2023, and the results of the evaluation were disclosed in the company's annual report and external auditor's report.



# CORPORATE GOVERNANCE REPORT

## 8. RISK MANAGEMENT

Barwa monitors through the Risk Management department regulatory risk issues and that the related activities are carried out in a safe manner and in accordance with the regulations. The audit committee monitors financial and accounting policies, financial controls, internal controls and Barwa's risk management system on a regular basis. It is the responsibility of management to regularly identify, assess, monitor and manage risks across the company. This system includes the internal procedures applied in the company. The company also has tight controls and inherent systems that govern the new deals and relationships with related parties.

In this context, the company will apply the risk management policy across the entire company. The main aspects of this policy are that the company's Board, with the support of the Audit Committee and the Internal Audit Department, reviews quarterly all the risks, that the company and its subsidiaries, may face. The responsibility for determining the risks that any of these companies may face rests with their Executive Management and their employees, while the company's risk management undertakes review and compilation of the identified risk assessments and ways of re-mediation. The Internal Audit Department independently reviews the risk management reports on a quarterly basis, and submits observations on the integrity of these reports to the Audit Committee and Risk Department. The competent department shall collect the risks and the procedures to be followed to mitigate the effects of the risks, and submit them quarterly to the Audit Committee.

## 9. COMPLIANCE DEPARTMENT

The primary responsibility of Compliance Management within the Group is to assist the Board of Directors and the Executive Management in efficiently complying with laws to protect the Group from any potential financial losses due to non-compliance with laws. Compliance risks include legal/regulatory risks in addition to material losses and reputational risks. Compliance Management also assists both the Board of Directors and the Executive Management of the Group in improving internal control procedures to mitigate compliance risks, anti-money laundering risks, and terrorism financing risks. Additionally, it acts as a liaison between the Group and regulatory authorities, keeping management informed of any updates in laws and regulations.

## 10. INTERNAL AUDIT AND ITS ACTIVITIES

The Internal Audit Department performs its work according to the standards of an effective internal control system and within the framework of transparency, credibility, objectively and independently, with the aim of adding value to the company and improving its operations. This activity carried out by the Internal Audit Department assists in achieving the company's goals through adopting a systematic and structured method to evaluate and improve the effectiveness of risk management, control and governance. The Internal Audit Department also reports to the Audit Committee periodically in accordance with the requirements of the relevant governance rules.

The Internal Audit Department's major achievements for the year 2023 are the following:

1. Preparation and implementation of a Risk-Based Internal Audit Plan, and monitoring the extent of compliance with the laws, regulations, and decisions related to the company's activities.
2. Review and evaluate the Operations, Risk management and Internal Control Framework through the implementation of the Internal Audit Plan for Barwa Company and its main subsidiaries.
3. Issuing periodical reports for the Audit Committee and following up on the implementation of the previous internal audit recommendations.
4. Conduct special reviews were conducted on the issues raised by the Audit Committee / Board of Directors and the results were presented to them.
5. Compliance with the Internal Audit Manual based on the International Standards for the Professional Practice of Internal Audit, through reviewing the financial instructions and proposing the necessary amendment and monitoring their implementation.

## The Internal Audit department is headed by Mr. Hassan Juma al-Mohannadi:

Eng. Hassan Juma Al-Muhannadi currently holds the position of Head of Internal Audit Affairs for the group. With over 23 years of successful experience in financial, strategic matters, and operations leadership, he has held numerous positions in both the public and private sectors. He served as Deputy Undersecretary for Environmental Affairs at the Ministry of Municipality and Environment, as well as an advisor in the offices of the Minister of Municipality and Environment and the Minister of Sports and Culture. Additionally, he held positions as Director of Operations and Control Center at the Public Works Authority (Ashghal). Previously, he served as Chief Executive Officer of Operations at Al-Waseef, a subsidiary of Barwa Real Estate Company, and as Chief Executive Officer at Amdad Holding Company.

Eng. Al-Muhannadi holds undergraduate degrees from Qatar University and a master's degree from the University of Bradford in the United Kingdom. Furthermore, he has obtained numerous professional certifications and qualifications in various fields of work.

## 11. EXTERNAL AUDIT

Barwa Real Estate Company appointed "EY" as External Auditor for Barwa to provide semi-annual auditing and year-end audit services. This appointment comes after the approval of the General Assembly at its meeting on March 20, 2023 to appoint the external auditor and determine its compensations, as it is one of the firms registered in the auditors register stipulated in Law No. (30) of 2004 regulating the profession of auditing, and it has practiced the profession for at least ten continuous years, and it is independent of the company and its Board of Director.

In addition to Articles (65-66) of the amended Articles of Association of the company that govern the work and missions of the auditor, the company's internal governance manual includes the roles and responsibilities assigned to the external auditor and the appointment and termination policy in addition to the role of the Audit Committee in overseeing the work of the external auditor.

## 12. INTERNAL TRADING AND RELATED PARTIES

The company follows tight controls and inherent systems that control its entry in the new deals and relationships with related parties, and the company's policy prohibits the Chairman, board members and executives from entering into any sales or purchase deals for the company's shares during the specified period from the Qatar Stock Exchange until the public announcement of the financial statements and none of the related parties had any deals within the ban period during 2023.

In light of the disclosure requirements set out in the Corporate Governance Law approved by the Qatar Financial Markets Authority (QFMA), the company has strengthened its policies for related parties, especially its current annual disclosure by members of the Board and senior management regarding their interests, their contribution, the company's stock trading, and other boards of directors, significant deals with the company, employment and contribution of relatives, qualifications, experience and other interests.

The company has also formulated clear guidelines for insider trading in accordance with the Corporate Governance Manual and policies to prevent board members and employees from dealing in the company's shares that may be subject to insider trading, and to disclose relevant information when it is available.

Information about transactions with related parties can be obtained by checking the notes to the audited and consolidated financial statements for the financial year ended December 31, 2023.

# CORPORATE GOVERNANCE REPORT

## 13. SHAREHOLDERS' RIGHTS AND INFORMATION DISCLOSURE

The company guarantees that all shareholders have the right to see all relevant information and disclosures by publishing them on the website in addition to the annual reports. All information related to members of the board of directors and their qualifications, shares they own in the company, their superiors or their membership in boards of other companies, as well as information related to company's executives. All stakeholders can obtain all relevant information in a manner that does not harm the interest of the company.

The shareholder or shareholders who own less than 10% of the company's capital are entitled, for serious reasons, to request the general assembly to convene, while the shareholders who represent at least 25% of the capital are entitled to request the extraordinary general assembly to convene. Profits are also distributed in accordance with the recommendation of the Board of Directors and the decision of the general assembly of the company.

Shareholders have the right to object to any decision they see as being issued for the benefit of a certain group of shareholders or that harms them, or that brings special benefit to Board of Directors or others, without regard to the company's interests, and to document their objections in the meeting minutes. They also have the right to revoke any decisions they object to, in accordance with the provisions of the law in this regard.

The ordinary general assembly determines the remunerations for the members of the board of directors, provided that the percentage of such remunerations does not exceed (5%) of the net profit after deducting reserves and legal deductions, and distributing a profit not less than (5%) of the paid-up capital of the company to the shareholders in accordance with Article (40) of the company's Articles of Association.

According to the provisions of Article (18) of the company's articles of association, which stipulates that "every share entitles its owner to a share equal to the others without discrimination, whether with regard to the ownership of the company's assets or in the profits that are divided according to the manner shown below", the profits are distributed to the shareholders. According to the provisions of Article (51) of the company's articles of association, every shareholder has the right to attend the General Assembly, either on his behalf or through proxy.

## 14. SHAREHOLDER'S REGISTER

Taking into consideration the provisions of the company's articles of association, Article (159) of the Commercial Companies Law No. (11) of 2015, Article (30) of the Corporate Governance law and legal entities listed in the main market issued by the Qatar Financial Markets Authority, and based on the direction of the Qatar Stock Exchange, the company keeps correct, accurate and up-to-date records of the company's shareholders, as the company requests a monthly shareholder register from Qatar Central Securities Depository Company. Any shareholder or any related parties can view the shareholders' register and obtain all relevant information.

**The following is information showing the shares of the major shareholders of the company:**

Shareholder's Name	Country	Number of Shares	%
Qatari Diar Company	Qatari	1,751,060,870	45%

## 15. CASES, CONFLICTS AND VIOLATIONS

The Corporate Governance Manual approved by the company contains a clear policy related to reporting violations, as well as detailed procedures on how to implement this policy in the company. The company did not commit any violations during 2023. It should be noted that there are judicial disputes in the courts, with a total number of 8 cases in which the degrees of litigation range from primary to appeal.

## 16. SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) focuses on ethical, social and environmental matters. Thus, Barwa is committed to ethical and legal standards in terms of exercising its activities and contributing to achieving economic development and working to improve the quality of living conditions for Company's employees and their families, as well as the local community and society as a whole, while meeting the demands of stakeholders and the environment in which it operates.

Barwa believes that CSR is not just about charitable work, but also includes investing in society. It also includes the management of the institution and all its employees. Therefore, the Company is keen to invest in the local community in Qatar as well as in the communities in which it operates. The amount paid for all CSR activities amounted to 27,608 thousand Qatari Riyals during 2023.

The major CSR achievements in 2023 are as follows:

1. Providing the highest levels of security and safety in all Barwa projects in accordance with the standards set by the Qatari government in collaboration with the Civil Defense Administration of the Ministry of Interior.
2. Offering affordable housing solutions of high quality through Barwa residential projects.
3. Organizing blood donation campaigns in collaboration with Hamad Medical Corporation.
4. Donating QAR 100,000 to Qatar Red Crescent.
5. Supporting Qatari expertise through cooperation with efficient and experienced national companies in the construction and real estate development sectors.
6. Documenting joint cooperation with Qatar University by providing field training for engineering students to exchange experiences and conduct scientific research.
7. Sponsoring the first real estate forum in Qatar.
8. Participating in Cityscape Qatar 2023 and promoting Barwa Real Estate Company's projects.
9. Collaborating with Ooredoo Telecommunications Company to provide special offers for Barwa Real Estate Company employees.
10. Sponsoring the International Conference on Innovation and Technological Progress for Sustainability in collaboration with Qatar University for Science and Technology.
11. Organizing sports events for workers in collaboration with Ras Laffan Social Communication Program at Al Khor Sports Facilities.
12. Initiating tree planting in its projects to preserve the environment.
13. Donating one million Qatari Riyals to the Palestine Duty campaign to assist our brothers in Gaza.

## APPENDIX (1)

### BOARD MEMBER CVs

#### HIS EXCELLENCY ENGINEER ABDULLAH HAMAD AL ATTIYAH

##### CHAIRMAN OF THE BOARD OF DIRECTORS

His Excellency Mr. Abdullah bin Hamad Al-Attiyah was appointed Minister of Municipality on January 8, 2024. He brings with him extensive practical experience spanning various sectors in the country. His professional journey began with Qatar Petroleum as an operations engineer until 2011 when he moved to work at RasGas Limited as a senior project engineer. In 2012, he became the director of land planning and development.

In 2014, His Excellency Mr. Al-Attiyah took on new responsibilities as the Acting Executive Director of the Programs Management Office at the Supreme Committee for Delivery and Legacy, before advancing in his career and assuming the position of Technical Office Manager at the Public Works Authority “Ashghal” in 2015. He progressed in positions until he became the Assistant President of Ashghal until 2018, when he was appointed Deputy Chairman of the Board of Directors of Qatar Primary Materials Company. Later, he was delegated by the board to assume the role of Acting CEO of the company until the beginning of May 2018. It is worth noting that during the same period, specifically in January 2017, His Excellency Mr. Abdullah Al-Attiyah was appointed as a member of the Board of Directors of Qatari Diar Real Estate Investment Company, and in July 2018, he assumed the position of CEO of the company.

His Excellency Mr. Abdullah Al-Attiyah holds a Master of Science degree in Chemical Engineering from the University of Nottingham in the United Kingdom, in addition to a Bachelor’s degree in Mechanical Engineering from Cardiff University, United Kingdom.

#### MR. FAISAL AL-HAMMADI

##### VICE CHAIRMAN OF THE BOARD

Mr. Faisal Al-Hammadi currently serves as the Chief Investment Officer for the Qatar Investment Authority, responsible for managing the Authority’s listed and unlisted investments in various sectors within Qatar. Mr. Al-Hammadi joined the Qatar Investment Authority in 2006 and has held several positions, including Director of Asset Management from 2008 to 2014. Alongside his role at the Qatar Investment Authority, Mr. Faisal Al-Hammadi has served as an advisor to the Supreme Economic Council and Investment, as well as the Head of Investments for Pension Funds at the General Retirement and Social Insurance Authority. Additionally, he serves on several boards of directors, including Chairmanship of the Boards of Directors of Hassad Food Company and Widam Food Company, and membership on the Boards of Qatar Fuel Company, Qatar Gas Transport Company (Nakilat), and the General Retirement and Social Insurance Authority. He also held the position of Vice Chairman of the Board and Chairman of the Investment Committee at Qatar Electricity and Water Company “Kahramaa,” and served as a board member of Qatar Islamic Bank and Songbird Estate Company in the United Kingdom.

Mr. Al-Hammadi holds a Master’s degree in Financial Sciences from the American University, USA, and a Bachelor’s degree in Business Administration from Qatar University. He also obtained the Chartered Financial Analyst (CFA) designation in 2006.

#### MR. AHMAD MOHAMMAD TAYEB

##### BOARD MEMBER

Mr. Ahmed Mohamed Tayeb currently serves as the CEO of the Investment Sector at Qatari Diar Real Estate Investment Company, where he manages a portfolio worth \$35 billion. He began his professional career working for seven years in telecommunications and operations management for the Special Forces - Ministry of Interior. He then joined RasGas for six years, working on various projects. Subsequently, he worked for two years in the Amiri Diwan on projects before joining Qatari Diar. Mr. Al-Tayeb also spent another two years in the Project Management Office at the Supreme Committee for Delivery and Legacy. Additionally, Mr. Ahmed Tayeb has managed family business affairs and also holds positions as chairman and member of several boards of directors for a group of companies within the country. Mr. Ahmed holds a Master’s degree in Electrical Engineering from the University of Colorado Denver, USA.

#### MR. NASSER SULTAN AL HEMAIDI

##### BOARD MEMBER

Mr. Nasser Sultan Al Hemaidi serves as a board member of several Qatari joint-stock companies. He has been a member of the board of directors of Qatar Fuel Company since 2008 and also serves as a member of the board of directors of Qatar Cement Company. Additionally, he has previously held the position of Chief Financial Officer of Qatar Olympic Committee. Mr. Al Hemaidi is a businessman involved in various commercial and economic activities. He holds a Bachelor’s degree in Business Administration.

#### DR. ABDULRAHMAN MOHAMED AL-KHAYARIN

##### BOARD MEMBER

Dr. Abdulrahman bin Mohammed Al-Khayarin previously served as the Chief Executive Officer of Wadam Food Company and was later appointed as an advisor to the company’s board of directors. He also has prior experience in real estate investment with Qatari Diar, and he is registered as a real estate expert with the Ministry of Justice. Dr. Al-Khayarin currently serves as a board member of Masraf Al Rayan. He holds numerous academic qualifications, including a doctoral degree in Urban Planning from the University of Wales Trinity Saint David in the United Kingdom.

#### MR. HAMAD DASHIN AL-QAHTANI

##### BOARD MEMBER

Mr. Hamad Dashin Al-Qahtani has held various positions at Qatar Development Bank. Currently, he serves as the General Manager of Bedaya Center. Previously, he served as the General Manager of Qatar Business Incubation Center. He also held the position of Head of Incubation and Acceleration for Small and Medium Enterprises. Earlier in his career, he worked as the Senior Customer Relations Manager in the Project Finance Department, where he later became the department’s head. Prior to joining Qatar Development Bank, Mr. Al-Qahtani worked as a Customer Relations Manager in the Project Finance Department of Commercial Bank, following seven years of employment at Qatar Petroleum. Mr. Al-Qahtani holds a Bachelor’s degree in Software Development from Leeds Metropolitan University in the United Kingdom and a Diploma in Computer Science from the University of Ottawa in Canada.

#### MR. AHMAD KHALID AL-GHANIM

##### BOARD MEMBER

Mr. Ahmed Khalid Al-Ghanem currently serves as a Director at the Office of the General Manager for the General Directorate of Civil Defense at the Ministry of Interior. Prior to this role, he held the position of Manager of the Prevention Department and Head of the Engineering Plans Section. Mr. Al-Ghanem is a member of several committees, including the Engineers Acceptance Committee representing the Ministry of Interior and Civil Defense, the Committee for Studying Planning Regulations at the Ministry of Municipality and Environment, and the Technical Committee for the FIFA World Cup Qatar 2022. He has actively participated in numerous coordination meetings for major projects in the country and has attended several meetings of civil defense directors within the Gulf Cooperation Council, representing the General Directorate of Civil Defense. Mr. Ahmed Al-Ghanim holds a Bachelor’s degree in Engineering from Eastern Kentucky University (EKU) in the United States.

#### MR. FAHAD BIN AHMED AL KUWARI

##### SECRETARY OF THE BOARD OF DIRECTORS

Mr. Fahad bin Ahmed Al Kuwari holds a Bachelor of Science degree obtained in 1996 from Qatar University. Throughout his career, he has held various positions of responsibility. He started as an Assistant Secretary to the Board of Directors before assuming the role of Manager of Property Management in the company. Additionally, he served as the Manager of Operations Projects. Before joining our company, he worked at the Public Works Authority (Ashghal) where he held multiple positions. Furthermore, Mr. Fahad Al Kuwari also contributed his expertise to the Ministry of Municipality and Environment, particularly in sanitary affairs. He also gained experience in public relations at the Ports Management within the Ministry of Transport and Communications.



# MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

## GENERAL

The Board of Directors of Barwa Real Estate Company Q.P.S.C and its consolidated subsidiaries (are referred to as the “Group”) is responsible for establishing and maintaining adequate internal control over financial reporting (“ICOFR”) as required by Qatar Financial Markets Authority (“QFMA”). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group’s consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

## RISKS IN FINANCIAL REPORTING

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group’s ICOFR based on the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded, account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

## ORGANIZATION OF THE INTERNAL CONTROL SYSTEM

### Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

### Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- Are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- Operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- Are preventative or detective in nature;
- Have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- Feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

### Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2022, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including revenue, receivables and receipts, procurement, payables and payments, leases, financial and non-financial investments, cash and treasury, human resources and payroll, investment and trading properties, property, general ledger and financial reporting, fixed assets, technology and systems controls, and entity level controls.

The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, and Disclosure Controls.

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of December 31, 2023.

# SHARI'A SUPERVISORY BOARD REPORT

## **In the name of Allah the merciful**

### **FATWA AND SHARIA COMPLIANCE AUTHORITY REPORT REGARDING BARWA REAL ESTATE CO.**

Alhamdulillah and Peace be upon His prophet Mohammed, his family, companions and followers.

We at the Fatwa and Shari'a Supervisory Authority of Barwa Real Estate Company, have checked the applied principles and the transactions related to contracts, as well as the applications which the company had implemented during the year ended 31 December 2022, and carried out the required check for giving our opinion about whether the company has complied with the provisions and principles of the Islamic Shari'a and the fatwas, decisions and specific directives previously issued from our part.

The Authority through its executive member has carried out the check which included inspecting the documentation and the adopted procedures, on the basis of examining each kind of the transactions, and in our opinion:

1. The contracts, transactions and dealings which the company concluded during the year ended 31 December 2022, which we have perused were accomplished in accordance with the provisions of the Islamic Shari'a.
2. The profit distribution and loss bearing on the investment accounts, complies with the basis approved by us in accordance with the provisions and principles of Islamic Shari'a.
3. The Charity computation (Zakat) was in accordance with the provisions and principles of Islamic Shari'a.

We seize this opportunity to express our gratitude and appreciation to the company's management for its positive response and cooperation with the Authority, and to all the shareholders and dealers with Barwa, asking God to bless their efforts for serving the Islamic economy and developing our Country in a manner that achieves welfare for all.

**Dr. Osama Qais Al Dereai**

*Executive Member of Shari'a Supervisory Board of Barwa Real Estate*



# FINANCIAL REPORT



# FINANCIAL REPORT INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Barwa Real Estate Company Q.P.S.C.

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the consolidated financial statements of Barwa Real Estate Company Q.P.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 (IFRSs).

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 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 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 year. 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. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addresses the key audit matter
<p><b>Valuation of investment properties</b></p> <p>The Group owns investment properties which are measured at fair value. The fair value of Group's investment properties at 31 December 2023 amounted to QR 30,464,441 thousand (2022: QR 35,520,905 thousand), which represents 81.2% of the Group's total assets as at 31 December 2023 (2022: 88.8%).</p> <p>The investment properties include completed properties, properties under construction and plots of land. Majority of the investment properties, i.e. 98.83% (2022: 98.58%), are located in the State of Qatar.</p> <p>We identified valuation of the Group's investment properties as a key audit matter because of the significance of investment properties to the Group's total assets and the fair valuation of investment properties is inherently subjective and requires significant management judgement and estimation.</p> <p>Investment properties, the relevant accounting policies and, the judgements and assumptions applied by the management are disclosed in Note 12.</p>	<p>Our audit procedures included the following key areas, among others:</p> <ul style="list-style-type: none"> <li>• We performed walkthrough procedures and obtained understanding of the controls relating to the valuation of investment properties, including valuation methods, assumptions and estimates used in the valuation of investment properties.</li> <li>• We assessed the competence, capabilities and objectivity of the external valuer appointed by the management along with the terms of appointment and the scope of work.</li> <li>• We involved our internal valuation specialists on a selected sample of properties to assess: <ol style="list-style-type: none"> <li>1. Whether the valuation approach and methodology used by the management are in accordance with generally accepted valuation standards practices; and</li> <li>2. The appropriateness of assumptions and data used in the valuation, such as rental rates, operating costs, terminal value, growth rates, weighted average cost of capital, occupancy and market comparable prices where applicable.</li> </ol> </li> <li>• We checked the arithmetical accuracy of the valuations on a sample basis.</li> <li>• We tested the accounting entries on a sample basis in the books in relation to the change in fair value of investment properties.</li> <li>• We assessed the adequacy of the related disclosures in the consolidated financial statements, including the disclosure of key assumptions and judgments.</li> </ul>

### OTHER INFORMATION INCLUDED IN THE GROUP'S 2023 ANNUAL REPORT

Other information consists of the information included in the Group's 2023 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

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.

### RESPONSIBILITIES OF MANAGEMENT AND THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

# FINANCIAL REPORT

## INDEPENDENT

### AUDITOR'S REPORT

To the Shareholders of Barwa Real Estate Company Q.P.S.C. (Continued)

#### 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 the 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks 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 management.
- Conclude on the appropriateness of management's 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, we are required to draw attention in our auditor'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 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 to 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 are therefore the key audit matters. We describe these matters 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

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

**Ziad Nader**  
of Ernst and Young  
Auditor's Registration No. 258

**Doha – Qatar**  
**11 February 2024**

FINANCIAL REPORT  
**CONSOLIDATED STATEMENT OF  
 FINANCIAL POSITION**

As at 31 December 2023

	Notes	2023 QR'000	2022 QR'000
<b>ASSETS</b>			
Cash and bank balances	4	1,032,477	898,682
Financial assets at fair value through profit or loss	5	159,473	32,375
Receivables and prepayments	6	4,017,702	1,567,487
Trading properties	7	621,600	617,369
Due from related parties	8	74,109	227,048
Non-current assets held for sale	9	132,280	21,968
Financial assets at fair value through other comprehensive income	10	97,904	128,365
Advances for projects and investments	11	268,944	209,123
Investment properties	12	30,464,441	35,520,905
Property, plant and equipment	13	508,270	528,595
Right-of-use assets	14	7,833	11,857
Investments in associates	15	23,119	85,829
Goodwill	16	126,411	132,411
Deferred tax assets	17	4,995	4,436
<b>TOTAL ASSETS</b>		<b>37,539,558</b>	<b>39,986,450</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Payables and other liabilities	18	1,244,870	1,392,638
Provisions	19	209,052	25,932
End of service benefits	20	133,909	133,035
Due to related parties	8	100,516	178,279
Lease liabilities	21	246,393	302,158
Obligations under Islamic finance contracts	22	13,615,406	16,479,664
Deferred tax liabilities	17	7,095	11,591
<b>TOTAL LIABILITIES</b>		<b>15,557,241</b>	<b>18,523,297</b>
<b>EQUITY</b>			
Share capital	23	3,891,246	3,891,246
Legal reserve	24	2,069,055	2,034,094
General reserve	25	4,639,231	4,639,231
Other reserves	26	(354,053)	(376,850)
Retained earnings		11,564,845	11,099,057
Total equity attributable to equity holders of the Parent		21,810,324	21,286,778
Non-controlling interests		171,993	176,375
<b>Total equity</b>		<b>21,982,317</b>	<b>21,463,153</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>37,539,558</b>	<b>39,986,450</b>

These consolidated financial statements were authorised for issuance by the Board of Directors on 11 February 2024 and signed on their behalf by:

**H.E. ABDULLA BIN HAMAD AL-ATTIYAH**  
 Chairman

**ABDULLA BIN JOBARA AL-ROMAIHI**  
 Group Chief Executive Officer

The attached explanatory notes 1 to 48 form an integral part of these consolidated financial statements

FINANCIAL REPORT  
**CONSOLIDATED STATEMENT OF  
 PROFIT OR LOSS**

For the year ended 31 December 2023

	Notes	2023 QR'000	2022 QR'000
Rental income	28.1	1,446,747	1,746,231
Rental operation expenses	27	(266,373)	(444,581)
<b>Net rental income</b>		<b>1,180,374</b>	<b>1,301,650</b>
Finance lease income	-	-	82
<b>Net rental and finance lease income</b>		<b>1,180,374</b>	<b>1,301,732</b>
Income from consultancy and other services	28.2	351,955	336,504
Consulting operation and other services expenses	29	(282,820)	(256,754)
<b>Net consulting and other service income</b>		<b>69,135</b>	<b>79,750</b>
Sale of property and construction services	30	9,099	503,193
Cost of sale of property and construction services	30	(12,213)	(446,969)
<b>(Loss)/ profit on sale of property and construction services</b>		<b>(3,114)</b>	<b>56,224</b>
Net fair value gain on investment properties	12	577,196	677,146
Share of results of associates	15	(235,145)	(5,286)
Loss on revaluation of financial assets at fair value through profit or loss	5	(4,634)	(5,660)
Gain from sale of non-current asset held for sale	9	489,858	57,973
Gain from deemed disposal of investment in an associate		57,355	-
General and administrative expenses	31	(214,769)	(217,886)
Net impairment reversal / (loss)	32	32,127	(332,486)
Other income	33	42,854	38,489
<b>Operating profit before finance cost, depreciation, amortisation and income tax</b>		<b>1,991,238</b>	<b>1,649,996</b>
Finance income	34	53,239	20,438
Finance cost	34	(783,083)	(491,670)
<b>Net finance cost</b>		<b>(729,844)</b>	<b>(471,232)</b>
<b>Profit before depreciation, amortisation and income tax</b>		<b>1,261,394</b>	<b>1,178,764</b>
Depreciation	13	(13,713)	(13,360)
Amortisation of right-of-use assets	14	(4,077)	(4,016)
<b>Profit before income tax and zakat</b>		<b>1,243,604</b>	<b>1,161,388</b>
Tax and zakat expense	17	(10,068)	(10,602)
<b>Profit for the year</b>		<b>1,233,536</b>	<b>1,150,786</b>
<b>Attributable to:</b>			
Equity holders of the Parent		1,229,251	1,138,038
Non-controlling interests	44	4,285	12,748
		<b>1,233,536</b>	<b>1,150,786</b>
<b>Basic and diluted earnings per share</b>			
<i>(attributable to equity holders of the Parent expressed in QR per share)</i>	35	<b>0.316</b>	<b>0.292</b>

The attached explanatory notes 1 to 48 form an integral part of these consolidated financial statements



## FINANCIAL REPORT

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 QR'000	2022 QR'000
<b>Profit for the year</b>	<b>1,233,536</b>	1,150,786
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	12,143	(2,755)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Net change in the fair value of financial assets at fair value through other comprehensive income	(10,371)	(15,889)
Other reserves	851	535
<b>Other comprehensive income / (loss) for the year</b>	<b>2,623</b>	(18,109)
<b>Total comprehensive income for the year</b>	<b>1,236,159</b>	1,132,677
<b>Attributable to:</b>		
Equity holders of the Parent	1,231,879	1,119,492
Non-controlling interests	4,280	13,185
	<b>1,236,159</b>	1,132,677

The attached explanatory notes 1 to 48 form an integral part of these consolidated financial statements.

## FINANCIAL REPORT

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Parent							
	Share Capital QR'000	Legal reserve QR'000	General reserve QR'000	Other reserves QR'000	Retained earnings QR'000	Total QR'000	Non-controlling interest QR'000	Total Equity QR'000
Balance at 31 December 2021	3,891,246	2,033,140	4,639,231	(401,074)	10,708,713	20,871,256	171,852	21,043,108
Profit for the year	-	-	-	-	1,138,038	1,138,038	12,748	1,150,786
Other comprehensive (loss) / income for the year	-	-	-	(18,546)	-	(18,546)	437	(18,109)
<b>Total comprehensive (loss) / income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,546)</b>	<b>1,138,038</b>	<b>1,119,492</b>	<b>13,185</b>	<b>1,132,677</b>
Transfer to Legal Reserve	-	954	-	-	(954)	-	-	-
Contribution to the Social and Sports Fund (Note 38)	-	-	-	-	(27,608)	(27,608)	-	(27,608)
Realization of fair value reserve	-	-	-	42,770	(42,770)	-	-	-
Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	4,606	4,606	-	4,606
Transactions with shareholders in their capacity as owners:								
Dividends for 2021 (Note 37)	-	-	-	-	(680,968)	(680,968)	-	(680,968)
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(8,662)	(8,662)
<b>Balance at 31 December 2022</b>	<b>3,891,246</b>	<b>2,034,094</b>	<b>4,639,231</b>	<b>(376,850)</b>	<b>11,099,057</b>	<b>21,286,778</b>	<b>176,375</b>	<b>21,463,153</b>
Profit for the year	-	-	-	-	1,229,251	1,229,251	4,285	1,233,536
Other comprehensive income / (loss) for the year	-	-	-	2,628	-	2,628	(5)	2,623
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,628</b>	<b>1,229,251</b>	<b>1,231,879</b>	<b>4,280</b>	<b>1,236,159</b>
Transfer to Legal Reserve	-	34,961	-	-	(34,961)	-	-	-
Contribution to the Social and Sports Fund (Note 38)	-	-	-	-	(30,731)	(30,731)	-	(30,731)
Fair Value reserve on disposal of equity investment	-	-	-	3,366	-	3,366	-	3,366
Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income	-	-	-	16,803	(16,803)	-	-	-
Transactions with shareholders in their capacity as owners:								
Dividends for 2022 (Note 37)	-	-	-	-	(680,968)	(680,968)	-	(680,968)
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(8,662)	(8,662)
<b>Balance at 31 December 2023</b>	<b>3,891,246</b>	<b>2,069,055</b>	<b>4,639,231</b>	<b>(354,053)</b>	<b>11,564,845</b>	<b>21,810,324</b>	<b>171,993</b>	<b>21,982,317</b>

The attached explanatory notes 1 to 48 form an integral part of these consolidated financial statements.

FINANCIAL REPORT  
**CONSOLIDATED STATEMENT OF  
CASH FLOWS**

For the year ended 31 December 2023

	Notes	2023 QR'000	2022 QR'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax for the year		1,243,604	1,161,388
<i>Adjustments for:</i>			
Finance cost		758,612	461,593
Unwinding of deferred finance cost		24,471	30,077
Finance income	34	(53,239)	(20,438)
Net fair value gain on investment properties		(577,197)	(677,146)
Depreciation	13	33,033	36,002
Amortisation of right-of-use assets	14	4,077	4,016
Share of results of associates	15	235,145	5,286
Provision for end of service benefit	20	9,471	18,989
Net impairment losses	32	(32,127)	332,486
Finance lease income		-	(82)
Gain from sale of non-current asset held for sale		(489,858)	(57,973)
Gain from deemed disposal of investment in an associate		(57,355)	-
Loss on financial assets at fair value through profit or loss		4,634	5,660
Other income		(24,946)	(38,489)
<b>Operating gain before working capital changes</b>		<b>1,078,325</b>	<b>1,261,369</b>
<i>Changes in working capital:</i>			
Change in receivables and prepayments		203,142	(662,938)
Change in trading properties		(76)	120,132
Change in finance lease receivables		-	767
Change in amounts due from / due to related parties		5,220	(57,807)
Change in provisions		(34,565)	(11,557)
Change in payables and accruals		(216,199)	(428,950)
<b>Cash flows from operations</b>		<b>1,035,847</b>	<b>221,016</b>
End of service benefit paid	20	(8,628)	(11,987)
Income tax paid		(12,014)	(16,871)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>1,015,205</b>	<b>192,158</b>
<b>INVESTING ACTIVITIES</b>			
Finance income received		59,709	20,569
Dividends received from an associate		-	4,000
Payments for addition to investment properties		(56,822)	(1,728,747)
Proceeds from sale of investment properties held for sale		3,638,000	-
Payments for non-current assets held for sale		-	(846)
Proceeds from non-current assets held for sale		42,100	375,165
Net proceeds from / (payments for) financial assets at fair value through other comprehensive income		1,256	(5,386)
Advances paid for purchase of projects and investments		(1,134)	(351,882)

	Notes	2023 QR'000	2022 QR'000
Payments for purchase of property, plant and equipment	13	(28,290)	(14,288)
Proceeds from sale of property, plant and equipment		-	31
Dividend income received		7,451	5,574
Net receipts from financial assets at fair value through profit or loss		(6,964)	4,783
Net movement in short term deposits maturing after three months		24,209	645,573
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>3,679,515</b>	<b>(1,045,454)</b>
<b>FINANCING ACTIVITIES</b>			
Finance cost paid		(1,047,275)	(732,377)
Proceeds from obligations under Islamic finance contracts	22	2,193,275	3,933,061
Payments for obligations under Islamic finance contracts	22	(5,092,406)	(1,516,502)
Dividend paid to non-controlling interest		(8,662)	(8,662)
Dividends paid		(556,487)	(673,144)
Repayment of lease liabilities		(24,788)	(17,114)
Change in restricted bank balances	4	7,272	4,893
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>		<b>(4,529,071)</b>	<b>990,155</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>165,649</b>	<b>136,859</b>
Net foreign exchange difference		(236)	42,767
Cash and cash equivalents at 1 January		714,499	534,873
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	4	<b>879,912</b>	<b>714,499</b>

**Note:**

- i. Depreciation for the year ended 31 December 2023 includes an amount of QR 19,320 thousand charged to rental & consulting operation and other services expenses (Note 27 and Note 29) in the consolidated statement of profit or loss (2022 - QR 22,642 thousand).

The attached explanatory notes 1 to 48 form an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Barwa Real Estate Company Q.P.S.C. ("the Company" or "the Parent") was incorporated pursuant to the provision of Article 68 of the Qatar Commercial Companies Law No. 5 of 2002 as Qatari Shareholding Company under Commercial Registration No. 31901 dated 27 December 2005. The term of the Company is 100 years starting from the date of declaration in the Commercial Register. The Company is a listed entity on the Qatar Exchange.

The Company's registered office address is P.O. Box 27777, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries (together, "the Group") include investment in all types of real estate including acquiring, reclamation, dividing, developing and reselling of land and to establish agricultural, industrial, commercial projects on land, or lease those land, and also buying, selling and leasing buildings or projects. It also administers and operates real estate investments in and outside the State of Qatar. The Group is engaged in the business of developing domestic and international real estate projects, investing, hotels ownership and management, projects consulting and others.

The financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, as amended by Law No. 8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Company where necessary. Management concluded that any non-compliance as at the reporting date does not have a material impact on the consolidated financial statements.

## 2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING YEAR

The consolidated financial position and performance of the Group was particularly affected by the following events and transactions during the reporting year:

- During the year the company successfully negotiated and refinanced part of its Obligations under Islamic Finance Contracts at improved terms to enhance the Group's cash flow and reduce its finance cost.
- During the year the Group started leasing out 2 properties located in Al Wakra to the public, namely the Argentinian neighbourhood and Madinatna.
- During the year the Group sold 2 plots of land, located in Lusail (Qatar), for an amount of QR 6,361,014 thousand. Sale proceeds of QR 3,638,000 thousand have been collected during the year. An amount of QR 1,117,749 thousand has been collected in January 2024 and the remaining balance is expected to be collected in the second quarter of 2024.
- During the year, the Group managed to successfully recover overdue receivables of QR 184 Million from one of its anchor tenants.

## 3. SEGMENT INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different businesses and are managed separately because they require different expertise. For each of the strategic divisions, the Group's top management (the chief operating decision maker) reviews internal management reports on a regular basis. The real estate segment develops, sells and lease condominiums, villas and plots of land. Business services segment provides business support services and other services.

The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results, which are considered as a measure of the individual segment's profit or losses.

## Operating segments

The operating segments are presented as follows:

<i>For the year ended 31 December 2023</i>	Real estate	Business services	Other services	Eliminations	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
<b>Revenues and gains</b>					
External parties					
- Sale of property	9,099	-	-	-	9,099
- Rental income	1,446,747	-	-	-	(ii) 1,446,747
- Income from consultancy and other related services	-	221,130	130,825	-	351,955
- Net fair value gain on investment properties	577,196	-	-	-	577,196
- Gain from sale of non-current asset held for sale	470,739	-	19,119	-	489,858
- Others	-	-	95,575	-	95,575
Internal segments	93,781	168,518	-	(262,299)	(i) -
<b>Total revenues and gains</b>	<b>2,597,562</b>	<b>389,648</b>	<b>245,519</b>	<b>(262,299)</b>	<b>2,970,430</b>
Segment profit					
-Share of results of associates	-	-	(235,145)	-	(235,145)
-Net finance cost	(731,463)	374	1,245	-	(729,844)
-Net Impairment (loss) / reversal	(18,215)	313	50,029	-	32,127
-Depreciation and amortisation	(10,187)	(7,609)	(19,315)	-	(37,111)
<b>Profit for the year</b>	<b>1,335,302</b>	<b>(2,933)</b>	<b>(70,912)</b>	<b>(27,921)</b>	<b>1,233,536</b>

<i>For the year ended 31 December 2022</i>	Real estate	Business services	Other services	Eliminations	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
<b>Revenues and gains</b>					
External parties					
- Sale of property	503,193	-	-	-	503,193
- Rental income	1,746,231	-	-	-	(ii) 1,746,231
- Income from consultancy and other related services	10,066	222,860	103,578	-	336,504
- Finance lease income	82	-	-	-	82
- Net fair value gain on investment properties	677,146	-	-	-	677,146
- Gain from sale of non-current asset held for sale	-	-	57,973	-	57,973
- Others	-	-	32,829	-	32,829
Internal segments	135,023	183,612	-	(318,635)	(i) -
<b>Total revenues and gains</b>	<b>3,071,741</b>	<b>406,472</b>	<b>194,380</b>	<b>(318,635)</b>	<b>3,353,958</b>
Segment profit					
-Share of results of associates	-	-	(5,286)	-	(5,286)
-Net finance cost	(472,382)	868	282	-	(471,232)
-Net Impairment losses	(352,858)	(1,579)	21,951	-	(332,486)
-Depreciation and amortisation	(11,247)	(8,343)	(20,428)	-	(40,018)
<b>Profit for the year</b>	<b>1,004,259</b>	<b>42,025</b>	<b>126,809</b>	<b>(22,307)</b>	<b>1,150,786</b>

### Note:

- Inter-segment revenues are eliminated at consolidation level.
- Rental income include income from ancillary and other related services of QR 72,357 thousand (2022: QR 161,611 thousand)



FINANCIAL REPORT

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3. SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets and liabilities of the group's operating segments as at 31 December 2023 and 2022:

At 31 December 2023	Real estate	Business services	Other services	Eliminations	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Current assets	4,720,267	512,224	85,765	-	5,318,256
Non-current assets	31,299,648	962,163	213,624	(254,133)	32,221,302
<b>Total assets</b>	<b>36,019,915</b>	<b>1,474,387</b>	<b>299,389</b>	<b>(254,133)</b>	<b>37,539,558</b>
Current liabilities	(2,499,345)	(211,803)	(13,644)	-	(2,724,792)
Non-current liabilities	(13,647,944)	(438,855)	(272,203)	1,526,553	(12,832,449)
<b>Total liabilities</b>	<b>(16,147,289)</b>	<b>(650,658)</b>	<b>(285,847)</b>	<b>1,526,553</b>	<b>(15,557,241)</b>
Investment in associates	-	-	23,119	-	23,119
Capital expenditures (i)	388,823	-	-	-	388,823

At 31 December 2022	Real estate	Business services	Other services	Eliminations	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Current assets	2,091,415	331,785	272,027	-	2,695,227
Non-current assets	37,487,287	952,823	302,676	(1,451,563)	37,291,223
<b>Total assets</b>	<b>39,578,702</b>	<b>1,284,608</b>	<b>574,703</b>	<b>(1,451,563)</b>	<b>39,986,450</b>
Current liabilities	(2,652,990)	(257,600)	(28,344)	-	(2,938,934)
Non-current liabilities	(15,900,886)	(417,263)	(524,455)	1,258,241	(15,584,363)
<b>Total liabilities</b>	<b>(18,553,876)</b>	<b>(674,863)</b>	<b>(552,799)</b>	<b>1,258,241</b>	<b>(18,523,297)</b>
Investment in associates	-	-	85,829	-	85,829
Capital expenditures (i)	2,465,203	-	-	-	2,465,203

**Note:**

- i. Capital expenditure consists of additions and capitalized finance cost to trading properties (Note 7), investment properties (Note 12) and property, plant and equipment (Note 13).

The Group's revenue from external parties and information about its segment of non-current assets by geographical location are detailed below:

	Revenue from external parties		Non-current assets	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	QR'000	QR'000	QR'000	QR'000
State of Qatar	2,936,084	3,300,856	31,442,609	36,364,659
Other GCC countries	43,347	16,009	603,346	606,897
Europe & North Africa	(9,001)	37,093	175,347	319,667
	<b>2,970,430</b>	<b>3,353,958</b>	<b>32,221,302</b>	<b>37,291,223</b>

**Accounting policy:**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's top management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## 4. CASH AND BANK BALANCES

	2023 QR'000	2022 QR'000
Cash on hand	539	626
Short term deposits	575,030	440,294
Current accounts	252,730	187,362
Call accounts	102,148	160,961
Restricted bank balances (iii)	97,427	104,658
Margin bank accounts	5,495	5,536
	<b>1,033,369</b>	899,437
Allowance for impairment (note 32)	(892)	(755)
<b>Total cash and bank balances</b>	<b>1,032,477</b>	898,682
Short term deposits maturing after 3 months	(50,535)	(74,744)
Restricted bank balances and margin accounts	(102,922)	(110,194)
Reversal of non-cash provision	892	755
<b>Cash and cash equivalents</b>	<b>879,912</b>	714,499

**Notes:**

- i. Cash and cash equivalents includes fixed deposits with maturity dates from one to three months amounting to QR 524,495 thousand (2022: 365,550 thousand).
- ii. Short term deposits are made for varying periods depending on cash requirements of the Group with original maturity period equal to or less than twelve months at commercial market profit rates.
- iii. Restricted bank balances are restricted mainly to cover certain bank guarantees issued by the Group and the settlement of dividends yet unclaimed by the parent's shareholders.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month Expected credit loss (ECL). None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank.

**Accounting Policy:**

**Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and bank deposits with original maturities of three months or less, unrestricted balances held with banks, and highly liquid financial assets with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2023 QR'000	2022 QR'000
<i>Investments in equity securities:</i>		
<b>Quoted</b>	<b>159,473</b>	<b>32,375</b>

	2023 QR'000	2022 QR'000
At 1 January	32,375	45,251
Acquired during the year	31,938	64,503
Transferred from investment in associates (Note 15)	126,300	-
Disposals	(26,506)	(71,719)
Fair value loss	(4,634)	(5,660)
<b>At 31 December</b>	<b>159,473</b>	<b>32,375</b>

### Accounting policy:

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Dividend income from investments is recognised when the Group's right to receive payment is established.

The gain or loss on disposal of financial assets carried at FVTPL are recognised as a difference between the sale proceeds and carrying value of the financial assets as on the transaction date and recognised in the consolidated statement of profit or loss. Any change in fair value due to movement in market price of the equity securities is recognised in the consolidated statement of profit or loss.

## 6. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments are segregated between non-current and current portion as follows:

2023	Non-current QR'000	Current QR'000	Total QR'000
Trade receivables (i)	735,956	3,610,102	4,346,058
Prepaid expenses	-	11,802	11,802
Accrued income	3,329	77,512	80,871
Refundable deposits	8,841	11,499	20,340
Staff receivables	-	19,732	19,732
Accrued profit on Islamic financial deposits	-	2,291	2,291
Other receivables	-	114,443	114,443
Allowance for expected credit loss of trade receivables	-	(527,927)	(527,927)
Allowance for expected credit loss of other receivables	-	(49,878)	(49,878)
	<b>748,126</b>	<b>3,269,576</b>	<b>4,017,702</b>

2022			
Trade receivables (i)	752,191	1,053,858	1,806,049
Prepaid expenses	-	14,881	14,881
Accrued income	103,504	90,373	193,877
Refundable deposits	8,258	11,506	19,764
Staff receivables	-	16,029	16,029
Accrued profit on Islamic financial deposits	-	8,760	8,760
Other receivables	-	141,669	141,669
Allowance for expected credit loss of trade receivables	-	(594,657)	(594,657)
Allowance for expected credit loss of other receivables	-	(38,885)	(38,885)
	<b>863,953</b>	<b>703,534</b>	<b>1,567,487</b>

- i. Trade receivable amounting to QR 735,956 thousand (2022: QR 752,191 thousand) relating to the Public Partnership Agreement signed in 2020 between one of The Group's subsidiaries and the Public Works Authority "Ash-ghal". For further details refer to note 30.

As at 31 December 2023, trade receivables amounting to QR 527,927 thousand (2022: QR 594,657 thousand) were impaired and fully provided for. Movements in the allowance for expected credit loss of trade receivables is as follows:

	2023 QR'000	2022 QR'000
At 1 January	594,657	281,587
Allowance charge for the year (note 32)	143,093	363,160
Reversal of Provision	(194,828)	(48,092)
Written off	(14,965)	(1,996)
Foreign exchange adjustments	(30)	(2)
<b>At 31 December</b>	<b>527,927</b>	<b>594,657</b>

The allowance for expected credit loss of trade receivables as at 31 December 2023 and 31 December 2022 were determined as follows for trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments:

31 December 2023	Not due	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	-	1.73%	5.88%	12.47%	73.41%	
Gross carrying amount (QR'000)	3,460,278	100,846	27,746	51,404	705,784	4,346,058
Impairment allowance (QR'000)	-	(1,748)	(1,631)	(6,410)	(518,138)	(527,927)
<b>31 December 2022</b>						
Expected loss rate	-	0.54%	1.94%	29.31%	76.05%	
Gross carrying amount (QR'000)	752,191	126,007	58,414	146,207	723,230	1,806,049
Impairment allowance (QR'000)	-	(686)	(1,135)	(42,855)	(549,981)	(594,657)

At 31 December, the aging of unimpaired trade receivables is as follows:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 6. RECEIVABLES AND PREPAYMENTS (CONTINUED)

	Past due but not impaired						
	Total	Not due	0 - 30 days	31- 60 days	61- 90 days	91- 120 days	More than 120 days
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
<b>2023</b>	<b>3,818,131</b>	<b>3,460,278</b>	<b>99,098</b>	<b>26,115</b>	<b>24,219</b>	<b>20,774</b>	<b>187,647</b>
2022	1,211,392	752,191	125,321	57,279	31,354	71,998	173,249

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

### Accounting policy:

#### Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

## 7. TRADING PROPERTIES

	2023 QR'000	2022 QR'000
Properties available for sale (A)	26,080	27,326
Properties under development (B)	595,520	590,043
	<b>621,600</b>	617,369

### A. Movements of properties available for sale during the year were as follows:

	2023 QR'000	2022 QR'000
At 1 January	27,326	101,598
Cost of properties sold	(3,692)	(120,275)
Transferred from Advances for projects and investments	-	47,622
Transferred from/ (to) Trading properties – properties under development (B)	2,446	(1,619)
<b>At 31 December</b>	<b>26,080</b>	27,326

### B. Movements in the properties under development during the year were as follows:

	2023 QR'000	2022 QR'000
At 1 January	590,043	615,643
Net additions / (reversal)	3,765	(629)
Transferred from Other receivables	-	2,678
Transferred (to) /from Trading properties – properties available for sale (A)	(2,446)	1,619
Net impairment loss (Note 32)	891	(19,943)
Foreign exchange adjustments	3,267	(9,325)
<b>At 31 December</b>	<b>595,520</b>	590,043

### Notes:

- The Group performed an estimate realizable value of its trading properties at year end. Independent accredited property appraisers were engaged to provide relevant commercial and marketing inputs to this process and to advise on current market trends in areas such as achievable market prices. The exercise revealed that the fair values less costs to sell being the net realizable value were higher than the carrying amount of the trading properties at 31 December 2023 and 31 December 2022 except for the properties for which a write down to net realizable value has been made.

### Accounting policy:

#### a. Recognition and classification of trading properties (inventories)

Trading properties are real estate properties (including non-developed plots of land) that are readily available for sale and those properties under development for sale which are in construction phase. These are held for sale in the ordinary course of business rather than to be held for rental or capital appreciation, are carried at the lower of cost and net realizable value. The Group may decide to lease out some units to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the property is not held for capital appreciation. The Group account for these properties as trading properties and not investment properties as the properties continue to be held exclusively with the view to subsequent disposal in the ordinary course of business. Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for time factor if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost include:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- Borrowing costs, planning & design costs, costs of site preparation, professional fees, property transfer taxes, construction overhead and other related costs.

Non refundable commission paid to sales or working agents on the sale of real estate units are expensed when incurred.

Cost of trading properties recognised in the consolidated statement of profit or loss is determined with references to specific costs incurred on the property sold and an allocation of any relative size of the property sold.

#### b. Sale of trading property

A property is regarded as sold when the control has been transferred to the buyer, For conditional exchanges, sales are recognised only when all the significant conditions are satisfied

#### c. property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the management considers whether the contract comprises:

- A contract to construct a property /Or
- A contract for the sale of a completed property



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## Critical accounting judgments and estimates:

Where a contract is judged to be for the construction of a property and based on the nature of these contracts, revenue is recognised over time as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised at point in time when the control over the real estate has been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer

And

- Control over the work in progress in its present state is transferred to the buyer as construction progresses, typically, when the buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

## Revenue recognition

Revenue from sale of trading properties is recognised when control over the property is transferred to the buyer, the associated costs can be estimated reliably, and there is no continuing management involvement to the degree usually associated with ownership or effective control over the trading properties sold. In instances where the consideration is to be received over a longer term, the discounted value of the consideration is considered for revenue recognition.

## Classification of property

The Group determines whether a property is classified as investment property or trading property. Trading property comprises property that is held for sale in the ordinary course of business. Principally, these are residential and commercial properties that the Group develops and intends to sell before or on completion of construction.

## Estimation of net realizable value for trading properties

Trading properties are stated at the lower of cost and net realizable value (NRV). NRV for completed trading properties are assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in the light of recent market transactions. NRV for properties under development for which the development is not considered significant yet, is estimated at fair value less cost to sell, with the fair value estimated using the comparable data approach. The most significant inputs represent the market rate per square meter of land and estimated development cost.

## 8. RELATED PARTY DISCLOSURES

Qatari Diar Real Estate Investment Co. ("QD") incorporated in the State of Qatar is the main shareholder of the company which owns 45% of the company's shares including one preferred share that carries preferred rights over the financial and operating policies. The remaining 55% of the shares are traded on the Qatar Stock Exchange.

Related parties comprise of the main shareholder, associates of the Group and entities over which they have the ability to control, jointly control or exercise significant influence in making financial and operating decisions in addition to key management personnel of the company.

### Related party transactions

Transactions with related parties during the year were as follows:

	2023 QR'000	2022 QR'000
Income from consultancy and other services - Main shareholder	65,572	53,977

### Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	2023 QR'000	2022 QR'000	2023 QR'000	2022 QR'000
Qatari Diar Real Estate Investment Company Q.S.C. and its associated companies	73,053	210,495	87,347	162,174
Associate companies	856	16,375	244	5,644
Other related parties	200	178	12,925	10,461
	74,109	227,048	100,516	178,279

Current and non-current portions of due from and due to related parties are as follows:

	Due from related parties		Due to related parties	
	2023 QR'000	2022 QR'000	2023 QR'000	2022 QR'000
Non-current	-	-	579	579
Current	74,109	227,048	99,937	177,700
	74,109	227,048	100,516	178,279

Movements in the allowance for expected credit loss of due from related parties are as follows:

	2023 QR'000	2022 QR'000
At 1 January	131,973	126,189
Net impairment losses (Note 32)	(61,789)	5,784
<b>At 31 December</b>	<b>70,184</b>	<b>131,973</b>

For the years ended 31 December 2023 and 2022, the group carried out an expected credit loss testing for due from related parties. The group recognized a net reversal of expected credit loss of QR 61,789 thousand during the year (2022: expected credit loss of QR 5,784 thousand) (Note 32). In the opinion of the management, based on recent available information, there is no evidence of further expected credit loss in the value of due from related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related parties operate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## Compensation of directors and other key management personnel

The remuneration of directors and other members of key management of the parent during the year was as follows:

	2023 QR'000	2022 QR'000
Short term benefits (i)	34,044	33,494
End of service benefits	1,217	1,173
	35,261	34,667

### Notes:

- i. Short term benefits include a proposed board of directors' remuneration amounting to QR 12,000 thousand for the year 2023 subject to the approval of the company's Annual General Assembly (2022: QR 12,000 thousand, approved by the shareholders of the Company at the Annual General Meeting held on 8 March 2022).

## Terms and conditions of transactions with related parties

Transactions with related parties are approved by the management. These transactions were carried out at normal market prices and are approved by management. Outstanding balances for the year ended 31 December 2023 and 2022 are unsecured, interest free and the settlement occurs in cash. There have been no guarantees received for any related party receivables balances).

## 9. NON-CURRENT ASSET HELD FOR SALE

	2023 QR'000	2022 QR'000
Investment properties	132,280	-
Investment in an associate	-	21,968
	132,280	21,968

	2023 QR'000	2022 QR'000
At 1 January	21,968	-
Transferred from investment in associates (ii)	-	21,968
Transferred from investment properties (Note 12)	6,022,555	-
Investment property sold during the year (i)	(5,890,275)	-
Associate sold during the year (ii)	(21,968)	-
At 31 December	132,280	21,968

- i. During 2023, the Group has reached an agreement to sell 2 plots of land with an area of 3,476,192 square meters located in Lusail area, for an amount of QR 6,361,014 thousand and recognised a gain of QR 470,739 thousand. Sale proceeds of QR 3,638,000 thousand have been collected during the year. An amount of QR 1,117,749 thousand has been collected in Jan 2024 and the remaining balance is expected to be collected in the second quarter of 2024. The sale proceeds are to be used to partially settle the Group's financial obligations.

- ii. During 2022, the Group entered into 21 agreements to sell 25% of its shares in Al Damaan Islamic Insurance Co. (BEEMA) representing 5% of the associate's issued shares. The sale is conditional upon the successful listing of BEEMA on the Qatar Stock Exchange, therefore an amount of QR 21,968 thousand has been classified as a non-current asset held for sale. Subsequent to the year-end of 2022, BEEMA got officially listed on 16th January 2023. During the month of January 2023 the sale of was recognized for a sales proceeds of QR 42,100 thousand and recognised a gain of QR 19,119 thousands.

- iii. During the year, the Board of Directors approved the sale of one of the Group's properties located in the UK. The Group signed a "Heads of Terms Agreement" with a potential buyer. Completing the sale is subject to obtaining various approvals, completion of legal/tax due diligences and the ultimate signing of a contract with the agreed terms.

### Accounting Policies:

#### Measurement

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

#### Classification criteria

In accordance with IFRS 5 the criteria for an asset (or disposal group) to be classified as held for sale is as follows:

- It must be available for immediate sale in its present condition,
- Its sale must be highly probable and
- It must genuinely be sold, not abandoned

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Financial assets at fair value through other comprehensive income are analyzed as follows:

	2023 QR'000	2022 QR'000
Investments in equity securities:		
Quoted	64,767	72,541
Unquoted	33,137	55,824
	97,904	128,365

### Accounting Policies:

The policy applicable to the year ended 31 December 2023 is disclosed in note 47.

#### Fair value of unquoted equity

If the market for a financial asset is not active or not available, the Group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the Group to make estimates about expected future cash flows and discount rates that are subject to uncertainty.

Reconciliation of level 3 fair value measurement of unquoted equity instruments classified at fair value through other comprehensive income:

	2023 QR'000	2022 QR'000
At 1 January	55,824	52,108
Transferred to investment properties (Note 12)	(18,148)	-
Fair value (loss) / gain	(4,539)	3,716
At 31 December	33,137	55,824

# FINANCIAL REPORT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	Valuation Technique and key input	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Investment in unquoted shares	Market Approach In this approach, comparable sets of publicly-traded companies in Qatar/GCC were identified and the average ratios between their Price and Book Value (P/B Multiples) were ascertained. These multiples were then applied to the Equity (Book) Value of the investee companies to arrive at the Fair Value of the Group's ownership in them.	Adjustments were made for factors such as control premium, business outlook and continuity, discounts for lack of marketability & illiquidity, transaction costs, etc.	The adjustments made to arrive at the Fair Value are adequate and in line with generally acceptable practices and methodologies

### 11. ADVANCES FOR PROJECTS AND INVESTMENTS

	2023 QR'000	2022 QR'000
Advances for purchase of properties	28,363	28,363
Advances against exchange of land (i)	1,836,459	1,836,459
Advances to contractors and suppliers	358,427	324,118
	<b>2,223,249</b>	<b>2,188,940</b>
Less: allowance for impairment of advances	(1,954,305)	(1,979,817)
	<b>268,944</b>	<b>209,123</b>

The movement of allowance for impairment of advances is stated as under:

	2023 QR'000	2022 QR'000
At 1 January	1,979,817	1,979,817
Allowance charge for the year (Note 32)	3,907	-
<b>Reversal of provision (Note 32)</b>	<b>(29,419)</b>	<b>-</b>
<b>At 31 December</b>	<b>1,954,305</b>	<b>1,979,817</b>

#### Notes:

(i) During the year 2008, the Government of Qatar took over a piece of land located in Al-Khour district which was owned by the group and other related parties. The Government committed to provide another plot of land located in Salwa district in exchange of the withdrawn land. The Group paid the above advances to a related party, in order for the Group to fully own the new land that will be received from the Government. Since 2008, the Group management

has been working with the Government authorities to identify the plot of land that shall be transferred to the Group. However, all the efforts during this period have not resulted in any conclusive direction of when and where the land will be received and therefore during the year 2012, the Group management, on a conservative basis decided to make a full provision against these advances as doubtful of recovery. The Group will continue to pursue the matter with the Government for an amicable settlement.

#### Accounting policy:

##### Advances against exchange of land

Advances for land are carried at amounts paid, and recognized as advance payments at the time of payment. It will be reclassified as a land once the Group settles the whole purchase price of the land and registers in the Group's name.

### 12. INVESTMENT PROPERTIES

	2023 QR'000	2022 QR'000
<b>At 1 January</b>	<b>35,520,905</b>	<b>32,425,715</b>
Additions during the year	57,934	2,198,485
Capitalised finance cost (Note 34)	297,564	252,914
Transferred to non-current assets held for sale (Note 9)	(6,022,555)	-
Transferred from financial assets at fair value through other comprehensive income (Note 10)	18,148	-
Transferred from property, plant and equipment (Note 13)	10,705	-
Right-of-use assets - lease adjustments/ modification	(6,794)	(1,951)
Net fair value gain	577,196	677,146
Foreign exchange adjustment	11,338	(31,404)
<b>At 31 December</b>	<b>30,464,441</b>	<b>35,520,905</b>

#### Notes:

- Investment properties are primarily located in the State of Qatar, representing 98.83% of the carrying value of investment properties as at 31 December 2023 (2022: 98.58%) with few properties located in Kingdom of Bahrain, Republic of Cyprus, United Kingdom and the Kingdom of Saudi Arabia.
- Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers as at 31 December 2023 and 2022. Those valuers are accredited independent valuers with a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparable. In the absence of current prices in an active market, the valuations are based on the aggregate of the estimated cash flows expected to be received from renting the property. A yield that reflects the specific risks inherent in the net cash flows is applied to the net annual cash flows to arrive at the property valuation.
- The Group has no restrictions on the realisability of its investment properties.
- Capitalised finance cost is calculated based on the actual qualifying expenditures related to the projects under development, that is part of the investment properties. Capitalised finance cost is charged at rates comparable to commercial rates prevailing in the market for facilities with the same terms and conditions like the group's facilities.
- Included in investment properties are certain properties with a fair value of QR 2,169,650 thousand at 31 December 2023 (31 December 2022: QR 8,034,698 thousand) for which the transfer of the title deeds is in progress. The consolidated financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the group.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

- vi. Description of valuation techniques used by the group and key inputs to valuation of the most significant investment properties are as follows:

Type of properties	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2023	2022
Commercial properties	DCF method	Estimated rental value per sqm per month	QR 20-293	QR 20-293
		Rent growth on the basis of IMF Inflation projections	0%-4%	0%-4%
		Long-term vacancy rate	0%-15%	0%-15%
		Discount rate	7.05% - 8.20%	7.05% - 8.20%
		Market cap	6.25%	6.25%
Residential properties	DCF method	rental value per unit per month:		
		- Labour accommodation / Residential (non-premium) rental value per room/unit	QR 280 - 7,300	QR 280 - 7,300
		- Residential (Premium) - rental value per unit	QR 5,000- 20,000	QR 5,000- 20,000
		Rent growth on the basis of IMF Inflation projections	0%-4%	0%-4%
		Long-term vacancy rate	0%-20%	0%-20%
		Discount rate	6.85% - 8.20%	6.85% - 8.20%
		Market cap	6.25%	6.25%
Land Bank	Direct Comparison	Estimated land value per sqm	QR 931- QR 10,952	QR 947- QR 11,044

**Discounted Cash Flow Method (DCF):** The most commonly used technique for assessing Market Value within the income approach is discounted cash-flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. A market-derived discount rate is applied to estimated cash flows to establish a present value of the income stream. This Net Present Value ("NPV") is an indication of market value.

**Direct Comparison Approach:** This approach involves a comparison of the subject property to similar properties that have actually been sold in arms'-length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable.

- vii. Operating leases in which the Group is a lessor, relate to investment properties owned by the Group with lease term of between 1 to 16 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Minimum lease collections under operating leases of investment properties not recognised in the consolidated financial statements are receivable as follows:

	2023 QR'000	2022 QR'000
Within 1 year	1,196,085	975,167
Between 1 and 5 years	3,597,539	1,879,116
More than 5 years	958,985	1,628,855
<b>Total</b>	<b>5,752,609</b>	<b>4,483,138</b>

There has been no change to the valuation technique during the year. Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

December 31 2023	Fair Value QR'000	Level 3 QR'000
Vacant land	2,302,351	2,302,351
Completed properties	27,089,708	27,089,708
Under construction properties	1,072,382	1,072,382
	<b>30,464,441</b>	<b>30,464,441</b>

December 31 2022	Fair Value QR'000	Level 3 QR'000
Vacant lands	8,160,161	8,160,161
Completed properties	26,559,482	26,559,482
Under construction properties	801,262	801,262
	<b>35,520,905</b>	<b>35,520,905</b>

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use. In addition, there were no changes in valuation techniques during the year.

As at 31 December 2023, property with an aggregate value of QR 18,215,793 thousand (2022: QR 17,093,972 thousand ) is held under lease agreements. Future lease payments are presented in Note 21.

For right-of-use assets that are classified as investment property, the Group expects to make use of the full lease terms which typically vary between 1 and 88 years.

The fair value of investment properties disclosed in the consolidated financial statements represent the value of the properties estimated by the independent valuers adjusted for assets or liabilities separately recognized in the consolidated statement of financial position, in accordance with International Financial Reporting Standards.

## Accounting policy

### Recognition of investment properties

Investment property comprises lands, completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both rather than for sale in the ordinary course of business or for use in administrative function. Property held under a lease contract is classified as investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

For a transfer from investment property carried at fair value to owner-occupied property or trading properties, the property's deemed cost for subsequent accounting in accordance with IAS 16 "Property, plant and equipment" or IAS 2 "Inventories" shall be its fair value at the date of change in use.

For a transfer from Trading Properties to Investment Property that will be carried at fair value, any difference results between the fair value of the property at that date and its previous carrying amount shall be recognized in the consolidated statement of profit or loss.

## Critical accounting judgments and estimates:

### Classification of property

The Group determines whether a property is classified as investment property or trading property. Investment property comprises land and buildings (principally residential, commercial and showrooms) which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

For a property that is partially used in the operations of the Group, the Group accounts for the portion used by the Group companies as property and equipment, based on the proportion of the square area of that portion. In management's judgement, different portions of such property can be sold separately or leased out separately under a finance lease arrangement.

### Valuation of investment property

Investment properties are stated at fair value. The Group used external independent valuers to determine the fair value of the investment properties in addition to the properties that are being valued by the management. The independent valuers uses the market situations, estimated yield and expected future cash flows and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment properties.

### Sensitivity analysis

At 31 December 2023, if discount rate for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 2,623,528 thousand lower and QR 3,122,407 thousand higher (2022: QR 2,395,179 thousand lower and QR 2,812,122 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2023, if market capitalization for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 1,088,559 thousand lower and QR 1,503,248 thousand higher (2022: QR 1,080,894 thousand lower and QR 1,492,663 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2023, if price per square foot for investment properties (valued using market approach) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 22,046 thousand lower/higher (higher/lower) (2022: QR 80,924 thousand lower/higher (higher/lower) mainly as a result of higher/lower fair value gain (loss) on investment properties.

At 31 December 2023, if rental rates for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 280,437 thousand lower/higher (higher/lower) (2022: QR 271,111 thousand lower/higher (higher/lower) mainly as a result of higher/lower fair value gain (loss) on investment properties.

Fair value of the investment properties is also sensitive to the following inputs:

- Occupancy rates;
- Operating expenses and
- Other key estimates.

## 13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Furniture and fixtures	Leasehold improvements	Cooling plants	Other fixed assets	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
<b>Cost</b>							
At 1 January 2022	112,659	366,856	223,897	120,677	241,387	124,740	1,190,216
Additions	340	-	2,407	279	3,405	8,002	14,433
Reclassifications	-	-	2,747	-	-	(2,747)	-
Transferred to operating expenses	-	-	-	-	-	(145)	(145)
Foreign exchange adjustment	-	10	217	-	-	38	265
<b>At 31 December 2022</b>	<b>112,999</b>	<b>366,866</b>	<b>229,268</b>	<b>120,956</b>	<b>244,792</b>	<b>129,888</b>	<b>1,204,769</b>
<b>Accumulated depreciation</b>							
At 1 January 2022	-	101,442	218,093	120,584	87,252	111,619	638,990
Charge for the year	-	7,955	207	89	-	5,109	13,360
Charged in operating expenses (note 27 & 29)	-	6,388	3,782	62	10,941	1,469	22,642
Reclassifications	-	-	1,673	-	-	(1,673)	-
Impairment loss (note 32)	340	621	-	-	-	-	961
Foreign exchange adjustment	-	10	180	-	-	31	221
At 31 December 2022	340	116,416	223,935	120,735	98,193	116,555	676,174
<b>Net Book Value at 31 Dec 2022</b>	<b>112,659</b>	<b>250,450</b>	<b>5,333</b>	<b>221</b>	<b>146,599</b>	<b>13,333</b>	<b>528,595</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

	Land	Buildings	Furniture and fixtures	Leasehold improvements	Cooling plants	Other fixed assets	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
<b>Cost</b>							
At 1 January 2023	112,999	366,866	229,268	120,956	244,792	129,888	1,204,769
Additions	241	-	413	32	15,620	11,984	28,290
Transfer to Investment Property	-	(16,594)	-	-	-	-	(16,594)
<b>At 31 December 2023</b>	<b>113,240</b>	<b>350,272</b>	<b>229,681</b>	<b>120,988</b>	<b>260,412</b>	<b>141,872</b>	<b>1,216,465</b>
<b>Accumulated depreciation</b>							
At 1 January 2023	340	116,416	223,935	120,735	98,193	116,555	676,174
Charge for the year	-	7,704	1,286	141	-	4,582	13,713
Charged in operating expenses (note 27 & 29)	-	6,387	1,565	-	11,032	336	19,320
Transfer to Investment Property	-	(5,889)	-	-	-	-	(5,889)
Impairment loss (note 32)	-	2,747	-	-	-	2,130	4,877
<b>At 31 December 2023</b>	<b>340</b>	<b>127,365</b>	<b>226,786</b>	<b>120,876</b>	<b>109,225</b>	<b>123,603</b>	<b>708,195</b>
<b>Net Book Value at 31 December 2023</b>	<b>112,900</b>	<b>222,907</b>	<b>2,895</b>	<b>112</b>	<b>151,187</b>	<b>18,269</b>	<b>508,270</b>

### Accounting policies:

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of related equipment.

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

### The estimated useful lives of the depreciable assets are as follows:

Buildings	20-33 years
Furniture and fixtures	3-7 years
Motor vehicles	5 years
Computers software and hardware	3-5 years
Office equipment	3 years
Leasehold improvements	3 years
Cooling plants	25 years

The assets' useful lives and residual values are reviewed and adjusted as appropriate at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditures are capitalized only when they increase the future economic benefits of the related item of property, plant and equipment. All other expenditures are recognized in the consolidated statement of profit or loss as incurred. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognized. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

### Critical accounting judgments and estimates:

#### Useful lives of property, plant and equipment

The group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear as well as technical and commercial obsolescence.

## 14. RIGHT-OF-USE ASSETS

The Company leases several buildings . The remaining lease term is 1 - 24 years.

	Buildings QR'000
<b>Cost</b>	
At 1 January 2022	104,433
Additions	39
At 31 December 2022	104,472
<b>Accumulated amortisation</b>	
At 1 January 2022	(88,599)
Charge for the year	(4,016)
At 31 December 2022	(92,615)
Net Book Value at 31 December 2022	11,857
<b>Cost</b>	
At 1 January 2023	104,472
Additions	53
<b>At 31 December 2023</b>	<b>104,525</b>
<b>Accumulated amortisation</b>	
At 1 January 2023	(92,615)
Charge for the year	(4,077)
<b>At 31 December 2023</b>	<b>(96,692)</b>
<b>Net Book Value at 31 December 2023</b>	<b>7,833</b>

Amounts recognised in consolidated statement of profit or loss during the year is summarized as follows:



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

	2023 QR'000	2022 QR'000
Amortisation of right-of-use assets	4,077	4,016

At 31 December 2023, the Group is committed to QR Nil (2022: Nil) for short-term leases.

The Group had total cash outflows for leases of QR 13,892 thousand in 2023 (QR. 3,395 thousand in 2022). Apart from the right-of-use assets and lease liabilities accounted for under IAS40, the Group also had non-cash additions to right-of-use assets and lease liabilities of QR Nil in 2023 (QR Nil in 2022).

## Critical accounting judgments and estimates

### Determining the lease term with renewal options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No potential future cash outflows due to non-existence of an extension option.

### Property lease classification – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

### Amortisation of owner assets

Right-of-use assets are amortised over the lease term of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is amortised over the useful life of the underlying asset. The amortisation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

### Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR").

## 15. INVESTMENTS IN ASSOCIATES

The group has the following investments in associates:

	Nature of operation	Country of incorporation	Ownership%	
			2023	2022
Emdad Equipment Leasing Company	Leasing	Qatar	22.08%	22.08%
Smeet Investment Company W.L.L.	Manufacturing	Qatar	47.37%	47.37%
Tanween Company W.L.L.	Consultancy services	Qatar	40%	40%
Bait Al Mashura Financial Consulting Co.	Consultancy services	Qatar	20%	20%
Panceltica Holding Limited (i)	RE Development	UK	26%	26%
Al Damaan Islamic Insurance Co	Insurance	Qatar	-	20%

	2023 QR'000	2022 QR'000
Group's share in equity of associates	224,054	286,764
Less: provision for impairment	(200,935)	(200,935)
	<b>23,119</b>	85,829

The following table illustrates the summarised financial information of the Group's investments in associates:

	2023 QR'000	2022 QR'000
At 1 January	85,829	120,732
Dividends from associates	-	(4,000)
Share of results of associates (i)	(16,227)	6,598
Net Reversal of impairment (Note 32)	19,422	7,161
Transfer to financial assets at fair value through profit or loss (ii)	(68,945)	-
Transfer to non-current assets held for sale	-	(21,968)
Capital reduction	-	(17,000)
Share of change in fair value reserve	3,040	(6,544)
Foreign exchange adjustment	-	850
<b>At 31 December</b>	<b>23,119</b>	85,829

(i) Share of results of associates is reconciled as follows:

	2023 QR'000	2022 QR'000
Share of result as per statement of profit or loss	(235,145)	(5,286)
Less: provision for excess losses for commitment toward an associate (Note 19)	218,918	11,884
	<b>(16,227)</b>	6,598

(ii) As a result of the disposal of a 5% stake in one of the Group's associates in 2023, the Group lost its significant influence over the entity and the remaining ownership share of 15% amounting to QR 68,945 thousand was accounted for as a financial asset at fair value through profit or loss at its fair value amounting to QR 126,300 thousand (Note 5). The Group recognised a gain of QR 57,355 thousand with respect to this transaction.

# FINANCIAL REPORT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

The following table illustrates the summarised financial information of the Group's investment in associates:

Total group's share of the associates' statement of financial position	2023 QR'000	2022 QR'000
Current assets	478,942	636,572
Non-current assets	165,985	870,865
Current liabilities	(366,375)	(444,375)
Non-current liabilities	(341,576)	(500,951)
<b>Equity</b>	<b>(63,024)</b>	<b>562,111</b>
Group's share in equity	29,888	135,190
Upstream profit	(1,126)	(1,127)
Impairment losses	(5,643)	(26,266)
Transfer To Non-Current Assets Held for Sale (Note 9)	-	(21,968)
<b>Carrying amount of the investments</b>	<b>23,119</b>	<b>85,829</b>
Revenue from contracts with customers	267,624	718,447
Administrative expenses	(283,956)	(657,819)
Finance costs	(23,452)	(31,533)
<b>Profit for the year</b>	<b>(39,783)</b>	<b>29,095</b>
<b>Share of results</b>	<b>(16,227)</b>	<b>6,598</b>

### Note i

The Group has recognised excess losses QR 218,918 thousand of an associate relating to commitments of the associate. The Group is committed to settle associate's obligations to the extent of Group's interest of the associate and settled QR 33,163 thousand during the year and the remaining balance of QR 197,639 thousand is fully booked in the consolidated statement of financial position at the reporting date and included in the provisions (Note 19). There is no further commitment given by the Group for its associates

### Accounting policy:

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in the consolidated statement of comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in the consolidated statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed if necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and charges the amount to the consolidated statement of profit or loss.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of profit or loss.

The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgment as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de facto control.

## 16. GOODWILL

	2023 QR'000	2022 QR'000
At 1 January	132,411	132,411
Provision for impairment (Note 32)	(6,000)	-
<b>At 31 December</b>	<b>126,411</b>	<b>132,411</b>

100% of the Goodwill is allocated to one of the Group's subsidiaries (2022 :95%) as a cash generating unit. The group performed its annual impairment tests as at 31 December 2023 and 2022. To assess whether goodwill is impaired, the carrying amount of the real estate CGU is compared to its recoverable amount determined on a value in use basis.

### Key assumptions used in value in use calculations

The recoverable amount of the real estate CGU has been determined based on a value in use calculation using free cash flow to equity projections from financial budgets approved by senior management covering a five-year period. The cash flows have been discounted by a WACC of 8.2% (2022: 7.65 %). All cash flows beyond the five year period have an assumed growth rate of 1.95% (2022: 1.95%) for the CGU for the purpose of goodwill impairment testing; The strategic business plan assumes certain economic conditions and business performance, which are considered appropriate as they are consistent with current market expectations of the future. As a result of this analysis, an impairment allowances QR 6,000 thousand have been recognised against goodwill as at 31 December 2023 (2022: QR Nil).

### Sensitivity to changes in assumptions

Management considered alternative methods including comparable valuations using market multiples. Under these scenarios the recoverable amount of the CGU would continue to exceed its carrying value at 31 December 2023. The benchmarks of the CGU were updated to reflect the return variability projected by senior management in the five-year period.

### Sensitivity to changes in assumptions (continued)

At year-end, the Group's assessment of the reasonably possible change in key assumptions corresponded to the brackets of values used in the sensitivity tests which are presented below:

- 0.5 basis point increase in discount rate
- 0.5 basis point decrease in growth rate to infinity
- 0.5 basis point decrease in margin over 2024 to 2028 cash periods
- 10% decrease in working capital assumptions

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## Accounting policies

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs or group of CGUs that is expected to benefit from the synergies of the combination. Goodwill impairment testing is undertaken annually. Any impairment is recognized immediately as an expense and is not subsequently reversed.

## 17. TAX AND ZAKAT EXPENSES

Income tax and zakat expense are analysed as follows:

	2023 QR'000	2022 QR'000
Income tax (i)	(10,068)	(10,377)
Zakat expense (ii)	-	(79)
Other taxes	-	(146)
	(10,068)	(10,602)

### Note (i):

The income tax represents amounts recognised by subsidiary companies. The major components of the income tax expense for the years ended 31 December 2022 and 2021 are:

	2023 QR'000	2022 QR'000
<b>Current income tax</b>		
Current income tax charge	(15,123)	(13,202)
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences	5,055	2,825
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<b>(10,068)</b>	<b>(10,377)</b>

As per the newly issued tax law in 2019, the net profits of local Barwa Real Estate subsidiaries are subject to income taxes in the State of Qatar to the extent of the non-GCC nationals' shareholding in the Parent's listed shares. Listed companies are non-taxable. For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiary jurisdiction. In view of the operations of the group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that future taxable profits will be available against which those deductible temporary differences can be utilised.

Reflected in the consolidated statement of financial position as follows:

	2023 QR'000	2022 QR'000
Deferred tax assets	4,995	4,436
Deferred tax liabilities	(7,095)	(11,591)
	(2,100)	(7,155)

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior year:

	Deferred tax QR'000
At 1 January 2022	(9,951)
Charge to profit or loss	2,825
Exchange differences	(29)
At 1 January 2023	(7,155)
Charge to profit or loss	5,055
Exchange differences	-
<b>At 31 December 2023</b>	<b>(2,100)</b>

### Note (ii):

Zakat expense relates to one of the group's subsidiaries in the Kingdom of Saudi Arabia.

## Accounting policy

### Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in the consolidated statement of other comprehensive income or directly in equity. In this case, the tax is also recognised in the consolidated statement of other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements of the respective entity. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 18. PAYABLES AND OTHER LIABILITIES

Payables and other liabilities are classified into non-current and current portion as follows:

	Non-current QR'000	Current QR'000	Total QR'000
<b>2023</b>			
Contractors and suppliers	-	213,791	213,791
Clients advances and unearned income	-	22,623	22,623
Retention payable	21,655	95,199	116,854
Contribution to social and sports fund (Note 38)	-	30,731	30,731
Accrued expenses	-	331,080	331,080
Accrued finance cost	-	56,998	56,998
Other payables	82,624	390,169	472,793
	<b>104,279</b>	<b>1,140,591</b>	<b>1,244,870</b>

	Non-current QR'000	Current QR'000	Total QR'000
<b>2022</b>			
Contractors and suppliers	-	181,608	181,608
Clients advances and unearned income	-	17,311	17,311
Retention payable	19,364	104,821	124,185
Contribution to social and sports fund (Note 38)	-	27,608	27,608
Accrued expenses	-	482,226	482,226
Accrued finance cost	-	70,003	70,003
Other payables	165,664	324,033	489,697
	<b>185,028</b>	<b>1,207,610</b>	<b>1,392,638</b>

### Accounting policy:

Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the group, whether billed by the supplier or not.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using effective profit rate method.

## 19. PROVISIONS

	2023 QR'000	2022 QR'000
Provision for litigations	11,413	23,432
Provision for claims	-	2,500
Provision for excess losses from associates (Note 15)	197,639	-
	<b>209,052</b>	<b>25,932</b>

	2023 QR'000	2022 QR'000
At 1 January	25,932	25,605
Provided during the year	218,918	13,542
Reversal during the year	(2,500)	(13,080)
Utilised during the year	(33,298)	(135)
<b>At 31 December</b>	<b>209,052</b>	<b>25,932</b>

### Accounting policy:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognised as net finance costs. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any item in the same class of obligation may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance cost.

## 20. END OF SERVICE BENEFITS

	2023 QR'000	2022 QR'000
At 1 January	133,035	126,073
Provided during the year	9,471	18,989
End of service benefits paid	(8,628)	(11,987)
Translation adjustment	31	(40)
<b>At 31 December</b>	<b>133,909</b>	<b>133,035</b>

### End of service benefits

The Group operates defined benefit and defined contribution retirement plans

### Defined contribution plan

With respect to its national employees and citizens of GCC states, as well as other employees in certain locations outside Qatar, the group makes contributions to the General Pension Fund Authority and similar authorities of other countries, calculated as a percentage of the employees' salaries. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payment is available.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 21. LEASE LIABILITIES

	2023 QR'000	2022 QR'000
At 1 January	302,158	330,808
Modification	(6,935)	-
Write-off (Note 33)	(11,866)	-
Adjustments	-	(1,951)
Unwinding of deferred finance cost (Note 34)	11,504	12,239
Payments	(24,787)	(15,163)
Transfer to accrued lease payable	(25,026)	(20,185)
Translation adjustment	1,345	(3,590)
<b>At 31 December</b>	<b>246,393</b>	<b>302,158</b>
<i>Lease liabilities are further analysed as follows:</i>		
Current	20,191	50,145
Non-current	226,202	252,013
<b>At 31 December</b>	<b>246,393</b>	<b>302,158</b>

	2023 QR'000	2022 QR'000
<b>Maturity analysis:</b>		
Year 1	31,607	61,492
Year 2	17,398	31,624
Year 3	14,792	17,323
Year 4	14,745	14,762
Year 5	14,024	14,743
Later than 5 years	506,900	436,836
	<b>599,466</b>	<b>576,780</b>
Deferred finance cost	(353,073)	(274,622)
	<b>246,393</b>	<b>302,158</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Group's treasury function.

The Incremental Borrowing Rate (IBR) ranges from 2.82% to 6.50%.

## 22. OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

	2023 QR'000	2022 QR'000
At 1 January	16,479,664	14,063,213
Additional facilities obtained	2,193,275	3,933,061
Accrued finance cost	52,894	-
Repayments	(5,092,406)	(1,516,502)
Deferred finance charges	(18,021)	(11,691)
Foreign exchange adjustment	-	11,583
	<b>13,615,406</b>	<b>16,479,664</b>

	2023 QR'000	2022 QR'000
Un-secured facilities	10,138,158	10,962,468
Secured facilities (*)	3,546,746	5,559,263
Deferred finance charges	(69,498)	(42,067)
	<b>13,615,406</b>	<b>16,479,664</b>
The above balance is analyzed as follows:		
Non-current portion	12,361,666	15,003,400
Current portion	1,253,740	1,476,264
	<b>13,615,406</b>	<b>16,479,664</b>

As of 31 December 2023, the Group does not have any borrowings at FVTPL.

(\*) Corporate guarantees from the Parent Company, assignment over rights to projects' revenues and documents, in addition to a pledge over the project companies' shares, bank accounts and assets have been granted against 2 facilities amounting to QR 3,691 million of which QR 3,547 million have been withdrawn up to 31 December 2023.

### Following is a summary of the terms of the borrowings at year end:

Currency	Original currency	Maturity	Profit	Profit rate	2023 QR'000	2022 QR'000
USD	US 501 million	2024-2025	Floating	LIBOR + margin	1,827,224	2,966,317
USD	US 576 million	2024-2029	Floating	SOFR + margin	2,104,199	2,104,199
QAR	QR 9,753 million	2024-2043	Floating	QMRL +/-margin	9,753,481	11,451,215
					<b>13,684,904</b>	<b>16,521,731</b>

The Group has not breached any loan covenant during 2023 and 2022.

The above facilities have been obtained for the purpose of financing long term projects and working capital requirements of the Group. The facilities carry profits at rates comparable to commercial rates prevailing in the market for facilities with the same terms and conditions like the group's facilities.

### Accounting policy:

Obligations under Islamic financing contracts are recognized initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, those obligations are measured at amortized cost using the effective profit rate method.

Gains or losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Fees paid on the establishment of Islamic facilities are recognised as transaction costs of the financing to the extent that it is probable some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as prepayment for liquidity services and amortised over the period of the facility to which it relates.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from a different lender or same lender but on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

## 23. SHARE CAPITAL

	2023 No of shares (Thousands)	2022 No of shares (Thousands)
Authorised shares:		
<b>Ordinary shares of QR 1 each (i)</b>	<b>3,891,246</b>	3,891,246

	No of shares (Thousands)	QR'000
<i>Ordinary shares issued and fully paid up:</i>		
At 1 January 2022	3,891,246	3,891,246
At 31 December 2022	3,891,246	3,891,246
<b>At 31 December 2023</b>	<b>3,891,246</b>	3,891,246

- i. All shares have equal rights except for one preferred share which is held by Qatari Diar Real Estate Investment Company Q.S.C. that carries preferred rights over the financial and operating policies of the Company.

## Accounting policies:

### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

## 24. LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021 and the Articles of Association of the Parent and its subsidiaries, an amount equal to 10% of the net profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Articles of Association of the Parent and its subsidiaries. In accordance with their article of associations, and statutory laws requirements, the group companies are transferring a specific percentage from their annual net profit to the legal reserve.

## 25. GENERAL RESERVE

In accordance with the parent's articles of association, the premium on issue of share capital is added to general reserve. In addition, residual annual profits, after the required transfer to legal reserve (Note 24), can be appropriated and transferred to general reserve based on the general assembly meeting's approval. No such transfer was made during the year ended 31 December 2023 and 2022.

	2023 QR'000	2022 QR'000
Balance at 1 January	4,639,231	4,639,231
<b>At 31 December</b>	<b>4,639,231</b>	4,639,231

## 26. OTHER RESERVES

	2023 QR'000	2022 QR'000
Fair value reserve (i)	(157,633)	(167,431)
Translation reserve	(196,420)	(208,568)
Other reserve	-	(851)
<b>At 31 December</b>	<b>(354,053)</b>	(376,850)

### (i) Fair value reserve:

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income.

	2023 QR'000	2022 QR'000
At 1 January	(167,431)	(194,312)
Movement during the year	9,798	26,881
<b>At 31 December</b>	<b>(157,633)</b>	(167,431)

## 27. RENTAL OPERATION EXPENSES

	2023 QR'000	2022 QR'000
Property management expense	91,212	99,785
Maintenance and utilities expense	70,976	133,326
Facility management expense	70,316	169,181
Staff costs	30,327	35,363
Depreciation (Note 13)	-	894
Other expenses	3,542	6,032
	<b>266,373</b>	444,581



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 28. RENTAL INCOME AND INCOME FROM CONSULTANCY AND OTHER SERVICES

### 28.1 RENTAL INCOME

	2023 QR'000	2022 QR'000
Gross rental income	1,442,519	1,742,652
Tenant incentives "net"	4,228	3,579
<b>Net rental income</b>	<b>1,446,747</b>	<b>1,746,231</b>

Rental income include income from ancillary and other related services of QR 72,357 thousand (2022: QR 161,611 thousand)

#### Accounting policies:

##### Rental income

Rental income receivable from operating leases, less the group's initial direct costs of entering into the leases, is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the management is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when they arise.

Service charges, management charges and other expenses recoverable from the tenants and income arising from expenses recharged to tenants are recognized in the period in which the services are rendered

### 28.2 INCOME FROM CONSULTANCY AND OTHER SERVICES

	2023 QR'000	2022 QR'000
Income from consultancy services (i)	180,485	185,332
Secondment income (i)	40,645	37,528
	<b>221,130</b>	<b>222,860</b>
Revenue from cooling services	59,164	58,589
Revenue from facility Management income	38,864	10,066
Revenue from hotel operations	32,797	44,989
	<b>351,955</b>	<b>336,504</b>

#### Notes:

i. Timing of revenue recognition of income from consultancy and other services are further analyzed as follows :

	2023 QR'000	2022 QR'000
<b>Point-in time revenue</b>	<b>40</b>	<b>4,130</b>
<b>Over time revenue</b>		
Property management revenue	146,873	129,492
Consultancy revenue	74,217	89,238
Revenue from cooling services	59,164	58,589
Revenue from facility Management income	38,864	10,066
Revenue from hotel operation	32,797	44,989
	<b>351,955</b>	<b>336,504</b>
ii. Income from consultancy and other services by customer is as follows:		
<b>External parties</b>	<b>286,383</b>	<b>282,527</b>
<b>Related parties (Note 8)</b>	<b>65,572</b>	<b>53,977</b>
	<b>351,955</b>	<b>336,504</b>
iii. Geographic markets of Income from consultancy and other services are analysed below.		
<b>State of Qatar</b>	<b>343,202</b>	<b>330,112</b>
<b>Other countries</b>	<b>8,753</b>	<b>6,392</b>
	<b>351,955</b>	<b>336,504</b>

#### Accounting policies:

##### Consultancy income

The Group renders project management services and advisory services to other companies; income is recognised in the accounting period in which the services are rendered by reference to the stage of completion of the specific transaction and assessed on the basis of the actual services (measured by hours using time sheets) provided on agreed rates.

##### Services revenues

Revenues from services rendered are recognized in the consolidated statement of profit or loss by reference to the stage of completion of the specific transaction and assessed on the basis of the actual service provided as proportion of the total services to be provided. Revenue earned but not invoiced at year end is accrued and included in accrued income.

##### Secondment income

The Group provides employees and manpower to the other companies, and the income is recognised in the accounting period in which the employees attend and join the other companies, it is measured by the time sheets that is approved by the other companies based on agreed rates with the Group .

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

- a. ta) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- b. b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset in making their judgment, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the services to the customer.

## 29. CONSULTING OPERATION AND OTHER SERVICES EXPENSES

	2023 QR'000	2022 QR'000
Facility management expense	93,368	108,964
Staff costs	75,456	43,165
Maintenance and utilities expense	45,929	30,872
Hotel operation costs	29,340	34,879
Depreciation (Note 13)	19,321	21,748
Other expenses	19,406	17,126
	<b>282,820</b>	<b>256,754</b>

## 30. (LOSS) / PROFIT ON SALE OF PROPERTY AND CONSTRUCTION SERVICES

	2023 QR'000	2022 QR'000
Revenue from construction services (i)	5,494	373,047
Sale of properties	3,605	130,146
	<b>9,099</b>	<b>503,193</b>
Cost of construction services (i)	(5,362)	(324,030)
Cost of sale of properties	(6,851)	(122,939)
	<b>(12,213)</b>	<b>(446,969)</b>
	<b>(3,114)</b>	<b>56,224</b>

### Note:

(i) During 2020, one of the Group's subsidiaries and the Public Works Authority "Ashghal", signed a Public-Private Partnership agreement. As per the agreement, the Group developed 8 public schools in 2022 and will be providing maintenance support over a period of 25 years from the date of handover under the (Qatar Schools PPP Development Program – Package 1). Receivables and Prepayments (Note 6) include trade receivable amounting to QR 735,956 thousand as at 31 December 2023 (2022: QR 752,191 thousand) relating to this arrangement.

## 31. GENERAL AND ADMINISTRATIVE EXPENSES

	2023 QR'000	2022 QR'000
Staff costs	154,739	160,045
Professional fee expenses	23,290	19,522
Board of Directors remuneration and others (i)	13,800	16,400
Repair and maintenance expense	8,649	8,325
Utilities expenses	4,244	4,121
Advertising and promotion expenses	3,552	1,893
Government fees	2,366	2,328
Social contributions	650	3,200
Rent expenses	334	293
Travel expenses	137	82
Other expenses	3,008	1,677
	<b>214,769</b>	<b>217,886</b>

### Note:

(i) The Directors' remuneration and others includes a proposed amount of QR 12,000 thousand subject to the approval of the company's Annual General Assembly (2022: QR 12,000 thousand, approved by the shareholders of the Company at the Annual General Meeting held on 08 March 2023).

## 32. NET IMPAIRMENT REVERSAL / (LOSS)

	2023 QR'000	2022 QR'000
<b>Impairment losses :</b>		
Cash and bank balances (note 4)	(319)	(141)
Trade receivables (Note 6)	(143,093)	(363,160)
Other receivables	(116,208)	-
Trading properties (Note 7)	(6,015)	(19,943)
Due from related parties (Note 8)	(853)	(5,784)
Advances for projects and investments (Note 11)	(3,907)	-
Property, plant and equipment (Note 13)	(4,877)	(961)
Investment in associates (Note 15)	(619)	(1,222)
Goodwill (Note 16)	(6,000)	-
<b>Reversal of impairment:</b>		
Cash and bank balances (note 4)	182	2,164
Receivables (Note 6)	194,828	48,092
Trading properties (Note 7)	6,906	-
Due from related parties (Note 8)	62,642	-
Advances for projects and investments (Note 11)	29,419	-
Investment in associates (Note 15)	20,041	8,383
Finance lease receivables	-	86
<b>Net impairment reversal / (loss)</b>	<b>32,127</b>	<b>(332,486)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 33. OTHER INCOME

	2023 QR'000	2022 QR'000
Income from reversal of provisions for litigations & others	5,764	21,083
Dividend income	7,449	5,617
Write-off of lease liabilities (Note 21)	11,866	-
Others	17,775	11,789
	<b>42,854</b>	<b>38,489</b>

### Accounting policy:

#### Dividend income

Dividend income is recognized when the right to receive the dividend is established.

## 34. NET FINANCE COST

	2023 QR'000	2022 QR'000
<b>Finance cost</b>		
Finance cost on Islamic finance contracts	(1,052,603)	(649,548)
Less: capitalized finance cost (Note 12)	297,564	252,914
	<b>(755,039)</b>	<b>(396,634)</b>
Unwinding of deferred finance cost	(12,968)	(17,839)
Finance cost - lease liabilities (Note 21)	(11,504)	(12,239)
Net foreign exchange loss	(3,572)	(64,958)
Finance cost for the year	<b>(783,083)</b>	<b>(491,670)</b>
<b>Finance income</b>		
Income from Murabaha and Islamic deposits	28,786	13,922
Others	24,453	6,516
<b>Finance income for the year</b>	<b>53,239</b>	<b>20,438</b>
<b>Net finance cost for the year</b>	<b>(729,844)</b>	<b>(471,232)</b>

### Accounting policy:

#### Finance income

Finance income from banks' deposits is recognized on a time apportionment basis using the effective profit rate method.

#### Finance costs

Finance costs are costs that the group incurs in connection with the borrowing of funds. The group capitalizes financing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The group recognizes other borrowing costs as an expense in the period incurred.

The group begins capitalizing financing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the group first meets all of the following conditions:

- incurs expenditures for the asset;
- incurs borrowing costs; and
- undertakes activities that are necessary to prepare the asset for its intended use or sale.

To the extent that the group borrows funds specifically for the purpose of obtaining a qualifying asset, the group determines the amount of financing costs eligible for capitalization as the actual financing costs incurred on that financing during the period less any investment income on the temporary investment of those financings, if any.

The financing costs applicable to the financing of the group that are outstanding during the period, are capitalized by applying a capitalization rate to the expenditures on that asset.

The amount of financing costs that the group capitalizes during the period is not to exceed the amount of financing costs it incurred during that period. The group suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset, and ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 35. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

There were no potentially diluted shares outstanding at any time during the year and, therefore, the diluted earnings per share is equal to the basic earnings per share.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2023	2022
Net profit attributable to equity holders of the Parent for basic earnings (in QR'000)	1,229,251	1,138,038
Ordinary shares issued and fully paid (thousand shares)	3,891,246	3,891,246
Weighted average number of shares outstanding during the year (thousand shares)	3,891,246	3,891,246
<b>Basic and diluted earnings per share (QR)</b>	<b>0.316</b>	<b>0.292</b>

### Accounting policy:

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

## 36. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2023 QR'000	2022 QR'000
Translation reserves	12,143	(2,755)
Fair value reserves	(10,371)	(15,889)
Other reserve	851	535
	<b>2,623</b>	<b>(18,109)</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 37. DIVIDENDS

### Dividends paid and proposed

	2023 QR'000	2022 QR'000
Declared and accrued during the year:		
Final dividend for the year 2022, 17.5 % of nominal value per share (2022: final dividend for the year 2021, 17.5% of nominal value per share)	680,968	680,968

The shareholders of the Parent Company approved at the Annual General Meeting held on 20 March 2023 a cash dividend of QR 0.175 per share, amounting to QR 680,968 thousand from the profit of 2022 (2022: cash dividend of QR 0.175 per share; amounting to QR 680,968 thousand from the profit of 2021).

The proposed dividend for 2023 of 18% of nominal value per share will be submitted for formal approval at the Annual General Assembly Meeting.

### Accounting policy:

The Company recognises a liability to make cash distributions to equity holders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Qatar Commercial Companies Law No. 11 of 2015, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 38. CONTRIBUTION TO THE SOCIAL AND SPORTS FUND

During the year, the group appropriated an amount of QR 30,731 thousand (2022: QR 28,451 thousand) representing 2.5% of the consolidated net profit for the year attributable to Equity holders of the Parent as a contribution to the Social and Sports Fund.

An amount of QR 843 thousand has been adjusted during the year. This amount represents an adjustment to the historical excess payment of "Contributions to Social and Sports Fund" relating to the year 2009.

### Accounting policy:

#### Contribution to social and sports fund

According to Qatari Law No. 13 of 2008 and the related clarifications issued in January 2010, the group is required to contribute 2.5% of its consolidated annual net profits, Attributable to the equity holders of the parent, to the State Social and Sports Fund. The clarification relating to Law No. 13 of 2008 requires the payable amount to be recognised as a distribution of net profit. Hence, this is recognised in the consolidated statement of changes in equity.

## 39. CASH FLOW INFORMATION

Net debt analysis :	2023 QR'000	2022 QR'000
Cash and cash equivalents	879,912	714,499
Short term deposits maturing after 3 months	50,535	74,744
Liquid investments	159,473	32,375
Borrowing – repayable within one year	(1,253,740)	(1,476,264)
Borrowing – repayable after one year	(12,361,666)	(15,003,400)
Net debt	(12,525,486)	(15,658,046)
Cash, deposit and liquid investments	1,089,920	821,618
Gross debt – variable finance cost rates	(13,615,406)	(16,479,664)
<b>Net debt</b>	<b>(12,525,486)</b>	<b>(15,658,046)</b>

## 40. CONTINGENT LIABILITIES

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

	2023 QR'000	2022 QR'000
Bank guarantees	157,938	170,543

### Litigations and claims

During the year, various legal cases were filed against the group. According to the group's Legal Counsel's best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been made against them, except for what has been provided for in the consolidated financial statements in note 19.

## 41. COMMITMENTS

	2023 QR'000	2022 QR'000
Contractual commitments with contractors and suppliers for properties under development	469,291	502,269

## 42. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the group's financial assets and financial liabilities that are carried in the consolidated financial statements:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

	Carrying amounts		Fair values	
	2023 QR'000	2022 QR'000	2023 QR'000	2022 QR'000
<b>Financial assets</b>				
<i>At Amortised cost</i>				
Bank balances (excluding cash)	1,032,830	898,811	1,032,830	898,811
Receivables	4,005,900	1,552,606	4,005,900	1,552,606
Due from related parties	74,109	227,048	74,109	227,048
<i>At fair value</i>				
Financial assets at fair value through other comprehensive income	97,904	128,365	97,904	128,365
Financial assets at fair value through profit or loss	159,473	32,375	159,473	32,375
<b>Financial liabilities</b>				
<i>At amortized cost</i>				
Payables and other liabilities	(1,222,247)	(1,375,327)	(1,222,247)	(1,375,327)
Due to related parties	(100,516)	(178,279)	(100,516)	(178,279)
Obligations under Islamic finance contracts	(13,615,406)	(16,479,664)	(13,615,406)	(16,479,664)
Lease liabilities	(246,393)	(302,158)	(246,393)	(302,158)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of bank balances, receivables, due from related parties, payables and other liabilities and due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of the quoted financial assets at fair value through other comprehensive income is derived from quoted market prices in active markets.
- The fair value of unquoted financial assets at fair value through other comprehensive income are assessed using other reliable measures.
- The fair value of obligations under Islamic finance contracts approximates its carrying amount as these facilities are repriced periodically to reflect market rates through revolving Murabaha finance mechanism.

## Fair value measurement

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2023 are as follows:**

	Date of valuation	Fair value measurement using			
		Total QR'000	Quoted prices in active markets Level 1 QR'000	Significant observable inputs Level 2 QR'000	Significant unobservable inputs Level 3 QR'000
<b>Assets measured at fair value:</b>					
<i>Investment properties (Note 12)</i>	31 Dec 2023	30,464,441	-	-	30,464,441
<i>financial assets at fair value through other comprehensive income (Note 10):</i>					
Quoted equity shares	31 Dec 2023	64,767	64,767	-	-
Unquoted equity shares	31 Dec 2023	33,137	-	-	33,137
<i>Financial assets at fair value through profit or loss (Note 5):</i>					
Quoted equity shares	31 Dec 2023	159,473	159,473	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2022 are as follows:

	Date of valuation	Fair value measurement using			
		Total QR'000	Quoted prices in active markets Level 1 QR'000	Significant observable inputs Level 2 QR'000	Significant unobservable inputs Level 3 QR'000
<b>Assets measured at fair value:</b>					
<i>Investment properties (Note 12)</i>	31 Dec 2022	35,520,905	-	-	35,520,905
<i>financial assets at fair value through other comprehensive income (Note 10):</i>					
Quoted equity shares	31 Dec 2022	72,541	72,541	-	-
Unquoted equity shares	31 Dec 2022	55,824	-	-	55,824
<i>Financial assets at fair value through profit or loss (Note 5):</i>					
Quoted equity shares	31 Dec 2022	32,375	32,375	-	-

There have been no transfers between Level 1 and Level 2 during 2023 (2022: no transfers), and no transfers into and out of Level 3 fair value measurements (2022: no transfers).

## Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Finance Income (SPPFI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 43. BASIS OF PREPARATION AND CONSOLIDATION

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

### 43.1. BASIS OF PREPARATION

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income which have been measured at fair value.

The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentational currency and all values are rounded to the nearest thousand (QR'000), except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note 46.

### 43.2. BASIS OF CONSOLIDATION

#### a. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

#### b. Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### c. Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in the consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the consolidated statement of comprehensive income are reclassified to the consolidated statement of profit or loss.

The group's subsidiaries accounting for more than 2% of the total assets and /or operational results of the group during the current or previous financial year are included in these consolidated financial statements are listed below. In addition to the below listed subsidiaries, there are number of other subsidiaries' financial statements that are consolidated into these consolidated financial statements and are accounting for less than 2% of the total assets and/or operational results of the group.

Name of subsidiary	Country of incorporation	Group effective shareholding percentage	
		31 December 2023	31 December 2022
Asas Real Estate Company W.L.L.	Qatar	100%	100%
Al-Waseef Asset Management Company W.L.L.	Qatar	100%	100%
Barwa International Company W.L.L.	Qatar	100%	100%
Barwa Al Sadd Company W.L.L.	Qatar	100%	100%
Barwa Al Baraha Company W.L.L.	Qatar	100%	100%
Barwa Village Company W.L.L.	Qatar	100%	100%
Masaken Al Sailiya & Mesaimeer Company W.L.L.	Qatar	100%	100%
Qatar Real Estate Investment Company P.J.S.C.	Qatar	100%	100%
Qatar Project Management Company Q.P.S.C.	Qatar	70%	70%
Lusail Golf Development Company W.L.L.	Qatar	100%	100%
Madinat Al Mawater W.L.L.	Qatar	100%	100%
Barwa District Cooling Company W.L.L.	Qatar	100%	100%
Dar Al Eloum Real Estate Development Company W.L.L.	Qatar	100%	100%
Barahat Al Janoub Real Estate Company W.L.L.	Qatar	100%	100%
Rawasy Real Estate Company W.L.L.	Qatar	100%	100%



FINANCIAL REPORT

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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All the above-mentioned companies' are active in real estate development except for Al Waseef Asset Management Co. which is mainly active in property & facility Management, whereas Qatar Project Management Co. is mainly active in project management.

#### 44. MATERIAL NON-CONTROLLING INTERESTS

The financial information of Group's subsidiaries that have material non-controlling interests is provided below:

Proportion of effective equity interest held by non-controlling interests are as follows:

Name of subsidiary	Country of incorporation	31 December 2023	31 December 2022
Nuzul Holding Company B.S.C (c)	Kingdom of Bahrain	51%	51%
Qatar Project Management Company Q.P.S.C.	Qatar	30%	30%

	2023 QR'000	2022 QR'000
<i>Accumulated balances of material non-controlling interest.</i>		
Qatar Project Management Company Q.P.S.C.	22,673	27,759
Nuzul Holding Company B.S.C (c)	157,857	157,152
<i>Profit allocated to material non-controlling interest:</i>		
Qatar Project Management Company Q.P.S.C.	2,421	8,622
Nuzul Holding Company B.S.C (c)	1,864	4,126

The summarised financial information of these subsidiaries are provided below. These information are based on amounts before inter-company eliminations:

	Qatar Project Management Company Q.P.S.C. QR'000	Nuzul Qatar Company Limited W.L.L. QR'000
<b>Summarised statement of profit or loss for the year ended 31 Dec 2023:</b>		
Revenues and gains	92,266	18,133
Expenses and losses	(84,195)	(14,478)
<b>Profit for the year</b>	<b>8,071</b>	<b>3,655</b>
<b>Total comprehensive income</b>	<b>8,071</b>	<b>3,655</b>
Attributable to non-controlling interests	2,421	1,864
Dividend paid to non-controlling interests	7,500	1,162

	Qatar Project Management Company Q.P.S.C. QR'000	Nuzul Qatar Company Limited W.L.L. QR'000
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<b>Summarised statement of profit or loss for the year ended 31 December 2022:</b>		
Revenues and gains	136,730	17,018
Expenses and losses	(107,990)	(8,927)
Profit for the year	28,740	8,091
Total comprehensive income	30,466	8,091

Attributable to non-controlling interests	8,622	4,126
Dividend paid to non-controlling interests	7,500	1,162

<b>Summarised statement of financial position as at 31 December 2023:</b>		
Non-current assets	25,577	268,453
Current assets	97,883	194,183
Non-current liabilities	(12,459)	(3,777)
Current liabilities	(19,745)	(188,842)
<b>Net equity</b>	<b>91,256</b>	<b>270,017</b>

<i>Attributable to:</i>		
Equity holders of Parent	63,879	132,308
Non-controlling interest	27,377	137,709
<b>Total equity</b>	<b>91,256</b>	<b>270,017</b>

<b>Summarised statement of financial position as at 31 December 2022:</b>		
Non-current assets	26,992	272,020
Current assets	142,019	185,863
Non-current liabilities	(14,474)	(3,777)
Current liabilities	(46,850)	(186,581)
<b>Net equity</b>	<b>107,687</b>	<b>267,525</b>

<i>Attributable to:</i>		
Equity holders of Parent	75,381	131,087
Non-controlling interest	32,306	136,438
<b>Total equity</b>	<b>107,687</b>	<b>267,525</b>

<b>Summarised cash flow information for the year ended 31 December 2023:</b>		
Operating activities	16,839	(1,321)
Investing activities	17,799	3,125
Financing activities	(33,772)	(1,162)
<b>Net Increase in cash and cash equivalents</b>	<b>866</b>	<b>642</b>

<b>Summarised cash flow information for the year ended 31 December 2022:</b>		
Operating activities	(9,758)	2,389
Investing activities	10,486	(1,441)
Financing activities	(16,268)	(1,162)
<b>Net decrease in cash and cash equivalents</b>	<b>(15,540)</b>	<b>(214)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 45. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk	- Investments in equity securities - Borrowings - Foreign currency denominated financial assets and liabilities	Sensitivity analysis	Portfolio diversification
Credit risk	- Cash and cash equivalents - Trade receivables - Finance lease receivables - Due from related parties	- Ageing analysis - Credit ratings	Diversification of bank deposits, credit limits and letters of credit.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

### Objectives and policies

The group's principal financial liabilities comprise payables and other liabilities, due to related parties, obligations under Islamic finance contracts and lease liabilities. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as cash and bank balances, receivables, due from related parties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which arise directly from its operations.

The main risks arising from the group's financial instruments are market risk, credit risk, liquidity risk, operational risk, real estate risk and other risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

### Market risk

Market risk is the risk that changes in market prices, such as profit rates, foreign currency exchange rates and equity prices will affect the group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

#### a. Profit rate risk

The group's financial assets and liabilities that are subject to profit rate risk comprise bank deposits, finance lease receivables and obligations under Islamic finance contracts. The group's exposure to the risk of changes in market profit rates relates primarily to the group's financial assets and liabilities with floating profit rates.

The group manages its profit rate risk through portfolio diversification relating to obligations under Islamic finance contracts and finance lease receivable.

At the reporting date the profit rate profile of the group's profit bearing financial instruments was:

	Carrying amounts	
	2023 QR'000	2022 QR'000
<i>Floating profit rate instruments:</i>		
Fixed term deposits (Note 4)	575,030	440,294
<b>Financial liabilities – Borrowings (Note 22)</b>	<b>(13,615,406)</b>	<b>(16,479,664)</b>

The following table demonstrates the sensitivity of consolidated statement of profit or loss to reasonably possible changes in profit rates by 25 basis points (bps), with all other variables held constant. The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in profit rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decrease in profit rates is expected to be equal and opposite to the effect of the increase shown.

	Profit or loss +/- 25 bps
	QR'000
<b>At 31 December 2023</b>	<b>-/+ 40,215</b>
<i>At 31 December 2022</i>	<i>-/+ 39,465</i>

The Group will continue to apply the amendments to IFRS 9 until the uncertainty arising from the interest rate benchmark reforms with respect to the timing and the amount of the underlying cash flows of the Group is exposed to ends. The Group has assumed that this uncertainty will not end until the Group's contracts that reference LIBOR are amended to specify the date on which the interest rate benchmark will be replaced, the cash flows of the alternative benchmark rate and the relevant spread adjustment. This will in part be dependent on the introduction of fall back clauses which have yet to be added to the Group's contracts and the negotiation with the lenders.

#### b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities and the Group's net investment in foreign subsidiaries.

The group had the following net exposure denominated in foreign currencies:

	2023 QR'000	2022 QR'000
	Assets (Liabilities)	Assets (Liabilities)
EURO	1,487	1,346
GBP	114,909	92,003
MAD	1,455	2,342
EGP	(3,050)	(3,582)
AED	(1,987)	(2,001)
SAR	(60,060)	(87,749)
USD	(3,802,581)	(4,672,837)

The Group has limited exposure to foreign exchange risks arising from balances dominated in US Dollars as the Qatari Riyal is pegged to the US Dollar.

The Group is mainly exposed to the currencies listed above. The following table details the Group's sensitivity to a 5% increase and decrease in currency units against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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A positive number below indicates an increase in profit and other equity where currency units strengthens 5% against the relevant currency. For a 5% weakening of currency units against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	2023 QR'000 +/- 5%	2022 QR'000 +/- 5%
EURO	74	67
GBP	5,745	4,600
MAD	73	117
EGP	(153)	(179)
AED	(99)	(100)
SAR	(3,003)	(4,387)
USD	(190,129)	(233,642)

### c. Equity price risk

The following table demonstrates the sensitivity of consolidated statement of profit or loss and the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Changes in market indices	Effect on profit QR'000	Effect on equity QR'000
<b>2023</b>			
Financial assets at fair value through other comprehensive income – Quoted	+10%	-	6,477
Financial assets at fair value through profit or loss	+10%	15,947	15,947
<b>2022</b>			
Financial assets at fair value through other comprehensive income – Quoted	+10%	-	7,254
Financial assets at fair value through profit or loss	+10%	3,238	3,238

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group's exposure to credit risk is as indicated by the carrying amount of its assets which consisted principally of bank balances, receivables, finance lease receivables, due from related parties.

With respect to credit risk arising from the other financial assets of the group, the group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2023 QR'000	2022 QR'000
Bank balances	1,032,830	898,811
Receivables	4,005,900	1,552,606
Due from related parties	74,109	227,048
	<b>5,112,839</b>	<b>2,678,465</b>

The maximum exposure to credit risk at the reporting date by geographic region was as follows:

	Carrying amounts				
	Domestic QR'000	Other GCC countries QR'000	European countries QR'000	North Africa QR'000	Total QR'000
<b>2023</b>					
Bank balances	973,171	23,187	34,799	1,673	1,032,830
Receivables	3,982,060	18,711	5,018	111	4,005,900
Due from related parties	74,109	-	-	-	74,109
	<b>5,029,340</b>	<b>41,898</b>	<b>39,817</b>	<b>1,784</b>	<b>5,112,839</b>

	Carrying amounts				
	Domestic QR'000	Other GCC countries QR'000	European countries QR'000	North Africa QR'000	Total QR'000
<b>2022</b>					
Bank balances	849,842	14,504	31,933	2,532	898,811
Receivables	1,530,146	12,712	8,923	825	1,552,606
Due from related parties	227,048	-	-	-	227,048
	<b>2,607,036</b>	<b>27,216</b>	<b>40,856</b>	<b>3,357</b>	<b>2,678,465</b>

The group monitors its exposure to credit risk on an on-going basis and based on the management's assessment and historic default rates, the group believes that impairment allowance of QR 648,881 thousand (2022: QR 766,270 thousand) is sufficient against financial assets as at the reporting date. Financial assets include certain balances that are overdue but in management's view are not impaired as at the reporting date.

The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks. 94% (2022: 94%) of bank balances represents balances maintained with local banks in Qatar with a good rating.

### Credit quality of financial assets

Certain trade and other receivables and due from related parties have no external rating available and there is no formal internal credit rating established by the Group, so the credit quality of these financial assets cannot be disclosed by the management.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

To assess the credit risk for its main customers, the Group usually refers to external credit rating agencies (e.g. Moody's, S&P, Fitch Ratings), if available, to assess the probability of default for these customers. Governmental institutions and the externally rated institutions within category A and B credit ratings constitutes of 93 % of the trade receivable balance net of provision as of 31 December 2023 (2022: 84%).



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The Group does not hold any collateral or other credit enhancements to cover credit risks associated with its financial assets.

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to historical information. Credit risk from balances with banks is managed by the finance department of the Group in accordance with the Group's policy. The external long term credit ratings of the banks are as follows:

	2023 QR'000	2022 QR'000
A+	34,241	30,511
A1	208,561	466,097
A	107,923	146,532
A-	658,135	237,685
BBB+	7	1,549
Others	23,963	16,437
<b>Total</b>	<b>1,032,830</b>	<b>898,811</b>

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

## Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of group's own reserves and bank facilities. The group's terms of revenue require amounts to be collected within 30 days from the invoiced date.

The table below summarizes the maturity profile of the group's undiscounted financial liabilities at 31 December based on contractual payment dates and current market profit rates:

2023	Carrying amounts QR'000	Contractual cash out flows QR'000	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000
<b>Payables and other liabilities</b>	<b>1,222,247</b>	<b>1,232,300</b>	<b>1,125,765</b>	<b>106,535</b>	-	-
<b>Due to related parties</b>	<b>100,516</b>	<b>100,516</b>	<b>99,937</b>	<b>579</b>	-	-
<b>Lease liabilities</b>	<b>246,393</b>	<b>599,466</b>	<b>31,607</b>	<b>17,398</b>	<b>43,561</b>	<b>506,900</b>
<b>Obligations under Islamic finance contracts</b>	<b>13,615,406</b>	<b>18,242,939</b>	<b>2,068,714</b>	<b>2,304,965</b>	<b>4,903,679</b>	<b>8,965,581</b>
	<b>15,184,562</b>	<b>20,175,221</b>	<b>3,326,023</b>	<b>2,429,477</b>	<b>4,947,240</b>	<b>9,472,481</b>

2022	Carrying amounts QR'000	Contractual cash out flows QR'000	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000
Payables and other liabilities	1,375,327	1,398,351	1,204,107	110,644	83,600	-
Due to related parties	178,279	178,279	177,700	579	-	-
Lease liabilities	302,158	576,780	61,492	31,624	46,828	436,836
Obligations under Islamic finance contracts	16,479,664	22,304,923	2,438,604	2,808,968	7,718,105	9,339,246
	<b>18,335,428</b>	<b>24,458,333</b>	<b>3,881,903</b>	<b>2,951,815</b>	<b>7,848,533</b>	<b>9,776,082</b>

In addition, the Group is using the combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity. The below table presents the cash inflows from the financial assets:

2023	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000	Total QR'000
<b>Trade and other receivables</b>	<b>3,302,356</b>	<b>61,564</b>	<b>146,024</b>	<b>495,956</b>	<b>4,005,900</b>
<b>Due from related parties</b>	<b>74,109</b>	-	-	-	<b>74,109</b>
<b>Investment in equity instruments</b>	<b>159,473</b>	<b>97,904</b>	-	-	<b>257,377</b>
	<b>3,535,938</b>	<b>159,468</b>	<b>146,024</b>	<b>495,956</b>	<b>4,337,386</b>

2022	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000	Total QR'000
<b>Trade and other receivables</b>	<b>736,854</b>	<b>73,993</b>	<b>199,823</b>	<b>541,936</b>	<b>1,552,606</b>
<b>Due from related parties</b>	<b>227,048</b>	-	-	-	<b>227,048</b>
<b>Investment in equity instruments</b>	<b>32,375</b>	<b>128,365</b>	-	-	<b>160,740</b>
	<b>996,277</b>	<b>202,358</b>	<b>199,823</b>	<b>541,936</b>	<b>1,940,394</b>

## Operational risk

Operational risk is the risk of direct or indirect loss arising from a Group of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than market, credit and liquidity risks such as those arising from generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements and documentation of controls and procedures.
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- requirements for the reporting of operational losses and proposed remedial action.
- development of contingency plans.
- training and professional development.
- ethical and business standards.
- risk mitigation, including casualty insurance of assets and against embezzlement, where this is effective.

## Real estate risk

The Group has identified the following risks associated with the real estate portfolio:

- The cost of the development schemes may increase if there are delays in the planning process. The Group uses its own resources in the development of most of its projects, which employ experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process, and utilizes the accumulated experience in contracting for the purpose of reducing development costs as compared to the relevant market.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property (see also credit risk). To reduce this risk, the Group reviews the financial status of all prospective major tenants and decides on the appropriate level of security required via rental deposits or guarantees.
- The exposure of the fair values of the portfolio to market and occupier fundamentals.

## Other risks

Other risks to which the Group is exposed are regulatory risk, legal risk, and reputational risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisors. Reputational risk is controlled through the regular examination of issues that are considered to have reputational repercussions for the Group, with guidelines and policies being issued as appropriate.

## Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, treasury shares, other reserves, general reserve and retained earnings of the Group. The Board of Directors monitors the return on capital, which the Group

defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to the shareholders.

### The group's main objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to remain within the Group's quantitative banking covenants.

Further, the Board seeks to maintain a balance between higher targeted returns that might be possible with higher levels of financing, and the advantages and security afforded by the strong capital position of the Group.

### The Group's net debt to equity ratio at the reporting date was as follows:

	2023 QR'000	2022 QR'000
Finance cost bearing debts	13,615,406	16,479,664
Less: cash and bank balances	(1,032,830)	(898,811)
Net debt	12,582,576	15,580,853
Total equity (excluding legal reserve & non-controlling interests)	19,741,269	19,252,684
<b>Net debt to equity ratio at 31 December</b>	<b>63.74%</b>	<b>80.93%</b>

## 46. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements together with information about the basis of calculation for each affected line item are included in these consolidated financial statements.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements.

- Estimation of fair value of investment properties – Note 12
- Estimation of net realizable value for trading properties – Note 7
- Estimation of current tax payable and current tax expense – Note 17
- Estimated useful life of property, plant and equipment – Note 13
- Estimated fair value of certain financial assets at fair value through other comprehensive income – Note 10
- Estimation of defined benefit pension obligation – Note 20
- Recognition of revenue – Notes 7, Note 12 and Note 28
- Recognition of deferred tax asset for carried forward tax losses – Note 17
- Impairment of Bank balances – Note 4
- Impairment of receivables – Note 6
- Impairment of due from related parties – Note 8
- Impairment of right-of-use assets – Note 14

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- Impairment of associates – Note 15
- Impairment of goodwill – Note 16
- Impairment of non financial assets (i)
- Consolidation decisions – Note 43
- Classification of property – Notes 7, Note 12 and Note 13
- Determining the lease term – note 14 and Note 21
- Discounting of lease payments – note 14 and Note 21
- Going concern assessment
- Non-current assets held for sale – note 9

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### *(i) Impairment of non financial assets*

The Group assesses whether there are any indicators of impairment for all non financial assets at each reporting date. Goodwill embedded in the cost of acquisition of subsidiaries are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Key assumptions used in value in use calculations:**

The calculation of value in use for cash generating units relating to real estate projects are most sensitive to the following assumptions:

#### **Gross margin**

Gross margins are based on average values achieved in the period preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

#### **Discount rates**

Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the profit bearing Islamic financing, the group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

## 47. OTHER MATERIAL ACCOUNTING POLICY INFORMATION

### **IFRS 16 – LEASES**

#### **The Group as a lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognized a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognized the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease..

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect finance cost on the lease liability (using the effective finance cost method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating finance cost rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group made adjustments during the year related to the renewal of lease agreements.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (not part of this Appendix).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 31).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

### The Group's leasing activities and how these are accounted for:

The Group leases various plots of land and buildings. Rental contracts are typically made for fixed periods ranging from 1 to 99 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

With effect from 1st January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic finance cost on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the rate implicit in the agreement, if applicable. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### Fair value measurement

The group measures financial instruments, such as financial assets through profit or loss, financial assets at fair value through other comprehensive income, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing recognized on (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets at fair value through other comprehensive income. The management comprises of the head of the development segment, the head of the finance team, the head of the risk management department and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties and trading properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management discusses and reviews, the group's external valuers, valuation techniques and assumptions used for each property.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the group's external valuers, also compares each changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

The group classifies its financial assets in the following categories; financial assets at fair value through profit or loss, Financial assets carried at amortized cost, and financial assets at fair value through other comprehensive income, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

### Financial assets carried at amortized cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective profit rate method, less any impairment losses. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

### Financial liabilities

The Group's financial liabilities include trade and other payables, due to related parties, obligations under Islamic finance contracts and lease liabilities.

### Non-derivative financial liabilities

The Group initially recognized financial liabilities on the date that they are originated which is the date that the group becomes a party to the contractual provisions of the instrument.

The Group recognized a financial liability when its contractual obligations are discharged, cancelled or expired.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the group or counter party.

### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in costs or principal payments, the probability that they will enter bankruptcy or other financial recognized on, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of profit or loss.

The reversal of the previously recognized impairment loss is recognized in the consolidated statement of profit or loss.

### Assets classified as financial assets at fair value through other comprehensive income (FVTOCI)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for FVTOCI, the cumulative losses (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of profit or loss) is removed from equity and recognized in the consolidated statement of profit or loss. Impairment losses recognized in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as FVTOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a recognition basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed (other than for goodwill) if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## Tenant deposits

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. These deposits are refundable to the tenants at the end of the lease term.

## Foreign currency translation

### Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in 'Qatari Riyals' ("QR"), which is the group's presentational currency.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'finance income or costs'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated statement profit or loss, and other changes in carrying amount are recognised in the consolidated statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the consolidated statement profit or loss as part of the fair value gain or loss, Translation differences on non-monetary financial assets, such as equity instruments classified as financial assets at fair value through other comprehensive income, are included in the consolidated statement of comprehensive income.

### Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
- income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

## 48. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of 1 January 2023:

### 48.1. NEW AND AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated).

Content	Effective date
IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12	1 January 2023

The new standard and amendments had no impact on the Group's consolidated financial statements.

#### IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

This standard had no impact on the Group's consolidated financial statements.

#### Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendment had no impact on the Group's consolidated financial statements.

#### Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.



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## Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated financial statements.

## International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules

## 48.2. NEW AND AMENDED IFRSS IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

The Company has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective:

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Content	Effective date
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback - IFRS 16	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current - IAS 1	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective

## Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

## Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

## Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.



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