



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023



CONTENTS	PAGE(S)
INDEPENDENT AUDITOR'S REPORT	1-4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8-9
CONSOLIDATED STATEMENT OF CASH FLOWS	10-11
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	12-86
- CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES	12
- SIGNIFICANT CHANGES IN THE CURRENT REPORTING YEAR	12
- SEGMENT INFORMATION	13-16
- NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	16-48
- NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	48-55
- NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	55
- NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS	56
- OTHER SIGNIFICANT INFORMATION	56-59
GROUP STRUCTURE	59-63
FINANCIAL RISK MANAGEMENT	64-73
CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY	73-74
OTHER MATERIAL ACCOUNTING POLICY INFORMATION	74-85

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>Valuation of investment properties</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>Our audit procedures included the following key areas, among others:</p> <ul style="list-style-type: none"> 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BARWA REAL ESTATE COMPANY Q.P.S.C. (CONTINUED)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addresses the key audit matter
<i>Valuation of investment properties</i>	
<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>	<ul style="list-style-type: none"> • We involved our internal valuation specialists on a selected sample of properties to assess: <ul style="list-style-type: none"> - Whether the valuation approach and methodology used by the management are in accordance with generally accepted valuation standards practices; and - 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. • We checked the arithmetical accuracy of the valuations on a sample basis. • We tested the accounting entries on a sample basis in the books in relation to the change in fair value of investment properties. • We assessed the adequacy of the related disclosures in the consolidated financial statements, including the disclosure of key assumptions and judgments.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BARWA REAL ESTATE COMPANY Q.P.S.C. (CONTINUED)**

Report on the Audit of the Consolidated Financial Statements (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.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BARWA REAL ESTATE COMPANY Q.P.S.C. (CONTINUED)

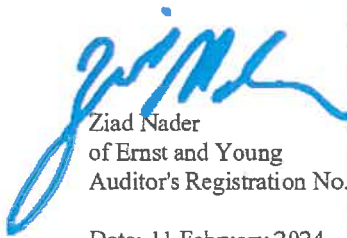
Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

Date: 11 February 2024
Doha



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2023 QR'000	2022 QR'000
ASSETS			
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
TOTAL ASSETS		37,539,558	39,986,450
LIABILITIES AND EQUITY			
LIABILITIES			
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
TOTAL LIABILITIES		15,557,241	18,523,297
EQUITY			
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
TOTAL EQUITY		21,982,317	21,463,153
TOTAL LIABILITIES AND EQUITY		37,539,558	39,986,450

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

ERNST & YOUNG
Doha - Qatar

11 FEB 2024

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BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

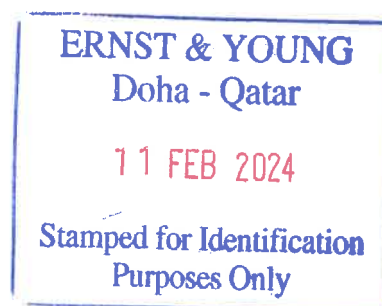
	NOTES	2023 QR'000	2022 QR'000
RENTAL INCOME	28.1	1,446,747	1,746,231
RENTAL OPERATION EXPENSES	27	(266,373)	(444,581)
NET RENTAL INCOME		1,180,374	1,301,650
FINANCE LEASE INCOME		-	82
NET RENTAL AND FINANCE LEASE INCOME		1,180,374	1,301,732
INCOME FROM CONSULTANCY AND OTHER SERVICES	28.2	351,955	336,504
CONSULTING OPERATION AND OTHER SERVICES EXPENSES	29	(282,820)	(256,754)
NET CONSULTING AND OTHER SERVICE INCOME		69,135	79,750
SALE OF PROPERTY AND CONSTRUCTION SERVICES	30	9,099	503,193
COST OF SALE OF PROPERTY AND CONSTRUCTION SERVICES	30	(12,213)	(446,969)
(LOSS)/ PROFIT ON SALE OF PROPERTY AND CONSTRUCTION SERVICES		(3,114)	56,224
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
OPERATING PROFIT BEFORE FINANCE COST, DEPRECIATION, AMORTISATION AND INCOME TAX		1,991,238	1,649,996
FINANCE INCOME	34	53,239	20,438
FINANCE COST	34	(783,083)	(491,670)
NET FINANCE COST		(729,844)	(471,232)
PROFIT BEFORE DEPRECIATION, AMORTISATION AND INCOME TAX		1,261,394	1,178,764
DEPRECIATION	13	(13,713)	(13,360)
AMORTISATION OF RIGHT-OF-USE ASSETS	14	(4,077)	(4,016)
PROFIT BEFORE INCOME TAX AND ZAKAT		1,243,604	1,161,388
TAX AND ZAKAT EXPENSE	17	(10,068)	(10,602)
PROFIT FOR THE YEAR		1,233,536	1,150,786
ATTRIBUTABLE TO:			
<i>EQUITY HOLDERS OF THE PARENT</i>		1,229,251	1,138,038
<i>NON-CONTROLLING INTERESTS</i>	44	4,285	12,748
		1,233,536	1,150,786
BASIC AND DILUTED EARNINGS PER SHARE <i>(ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT EXPRESSED IN QR PER SHARE)</i>	35	0.316	0.292

THE ATTACHED EXPLANATORY NOTES 1 TO 48 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
PROFIT FOR THE YEAR	<u>1,233,536</u>	<u>1,150,786</u>
OTHER COMPREHENSIVE INCOME		
<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
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	<u>2,623</u>	<u>(18,109)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,236,159</u>	<u>1,132,677</u>
<i>ATTRIBUTABLE TO:</i>		
EQUITY HOLDERS OF THE PARENT	1,231,879	1,119,492
NON-CONTROLLING INTERESTS	4,280	13,185
	<u>1,236,159</u>	<u>1,132,677</u>



THE ATTACHED EXPLANATORY NOTES 1 TO 48 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS



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BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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		TOTAL EQUITY QR'000
							INTEREST QR'000	NG QR'000	
BALANCE AT 31 DECEMBER 2022	3,891,246	2,034,094	4,639,231	(376,850)	11,099,057	21,286,778	176,375	-	21,463,153
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
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	2,628	1,229,251	1,231,879	4,280	-	1,236,159
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)
BALANCE AT 31 DECEMBER 2023	3,891,246	2,069,055	4,639,231	(354,053)	11,564,845	21,810,324	171,993	-	21,982,317

THE ATTACHED EXPLANATORY NOTES 1 TO 48 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS



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**BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	LEGAL RESERVE	GENERAL RESERVE	OTHER RESERVES	RETAINED EARNINGS		
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
BALANCE AT 31 DECEMBER 2021	3,891,246	2,033,140	4,639,231	(401,074)	10,708,713	20,871,256	21,043,108
PROFIT FOR THE YEAR	-	-	-	-	1,138,038	1,138,038	1,150,786
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	-	-	-	(18,546)	-	(18,546)	(18,109)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	-	-	-	(18,546)	1,138,038	1,119,492	1,132,677
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)
BALANCE AT 31 DECEMBER 2022	3,891,246	2,034,094	4,639,231	(376,850)	11,099,057	21,286,778	21,463,153

THE ATTACHED EXPLANATORY NOTES 1 TO 48 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS



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BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>NOTES</i>	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
OPERATING ACTIVITIES			
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)
OPERATING GAIN BEFORE WORKING CAPITAL CHANGES		1,078,325	1,261,369
<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)
CASH FLOWS FROM OPERATIONS		1,035,847	221,016
END OF SERVICE BENEFIT PAID	20	(8,628)	(11,987)
INCOME TAX PAID		(12,014)	(16,871)
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,015,205	192,158
INVESTING ACTIVITIES			
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)
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
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		3,679,515	(1,045,454)

THE ATTACHED EXPLANATORY NOTES 1 TO 48 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

ERNST & YOUNG
Doha - Qatar

11 FEB 2024

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BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	<i>NOTES</i>	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
FINANCING ACTIVITIES			
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
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		(4,529,071)	990,155
NET INCREASE IN CASH AND CASH EQUIVALENTS			
NET FOREIGN EXCHANGE DIFFERENCE		(236)	42,767
CASH AND CASH EQUIVALENTS AT 1 JANUARY		714,499	534,873
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	879,912	714,499

NOTE:

(1) 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).

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THE ATTACHED EXPLANATORY NOTES 1 TO 48 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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>	<i>REAL ESTATE QR'000</i>	<i>BUSINESS SERVICES QR'000</i>	<i>OTHER SERVICES QR'000</i>	<i>ELIMINATIO NS QR'000</i>	<i>TOTAL QR'000</i>
REVENUES AND GAINS					
EXTERNAL PARTIES					
- SALE OF PROPERTY	9,099	-	-	-	9,099
- RENTAL INCOME	1,446,747	-	-	-	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)	-
TOTAL REVENUES AND GAINS	<u>2,597,562</u>	<u>389,648</u>	<u>245,519</u>	<u>(262,299)</u>	<u>2,970,430</u>
SEGMENT PROFIT	<u>2,095,167</u>	<u>3,989</u>	<u>132,274</u>	<u>(27,921)</u>	<u>2,203,509</u>
-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)
PROFIT FOR THE YEAR	<u>1,335,302</u>	<u>(2,933)</u>	<u>(70,912)</u>	<u>(27,921)</u>	<u>1,233,536</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SEGMENT INFORMATION (CONTINUED)

OPERATING SEGMENTS (CONTINUED)

<i>FOR THE YEAR ENDED 31 DECEMBER 2022</i>	<i>REAL ESTATE QR'000</i>	<i>BUSINESS SERVICES QR'000</i>	<i>OTHER SERVICES QR'000</i>	<i>ELIMINATIO NS QR'000</i>	<i>TOTAL QR'000</i>
REVENUES AND GAINS					
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)	-
TOTAL REVENUES AND GAINS	3,071,741	406,472	194,380	(318,635)	3,353,958
SEGMENT PROFIT	1,840,746	51,079	130,290	(22,307)	1,999,808
-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)
PROFIT FOR THE YEAR	1,004,259	42,025	126,809	(22,307)	1,150,786

NOTES:

(I) INTER-SEGMENT REVENUES ARE ELIMINATED AT CONSOLIDATION LEVEL.

(II) RENTAL INCOME INCLUDE INCOME FROM ANCILLARY AND OTHER RELATED SERVICES OF QR 72,357 THOUSAND (2022: QR 161,611 THOUSAND)



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

<i>At 31 DECEMBER 2023</i>	<i>REAL ESTATE QR'000</i>	<i>BUSINESS SERVICES QR'000</i>	<i>OTHER SERVICES QR'000</i>	<i>ELIMINATIONS QR'000</i>	<i>TOTAL QR'000</i>
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
TOTAL ASSETS	36,019,915	1,474,387	299,389	(254,133)	37,539,558
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)
TOTAL LIABILITIES	(16,147,289)	(650,658)	(285,847)	1,526,553	(15,557,241)
INVESTMENT IN ASSOCIATES	-	-	23,119	-	23,119
CAPITAL EXPENDITURES (1)	388,823	-	-	-	388,823

<i>At 31 DECEMBER 2022</i>	<i>REAL ESTATE QR'000</i>	<i>BUSINESS SERVICES QR'000</i>	<i>OTHER SERVICES QR'000</i>	<i>ELIMINATIONS QR'000</i>	<i>TOTAL QR'000</i>
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
TOTAL ASSETS	39,578,702	1,284,608	574,703	(1,451,563)	39,986,450
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)
TOTAL LIABILITIES	(18,553,876)	(674,863)	(552,799)	1,258,241	(18,523,297)
INVESTMENT IN ASSOCIATES	-	-	85,829	-	85,829
CAPITAL EXPENDITURES (1)	2,465,203	-	-	-	2,465,203

NOTE:

(1) 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).



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SEGMENT INFORMATION (CONTINUED)

THE GROUP'S REVENUE FROM EXTERNAL PARTIES AND INFORMATION ABOUT ITS SEGMENT OF NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION ARE DETAILED BELOW:

	<i>REVENUE FROM EXTERNAL PARTIES</i>		<i>NON-CURRENT ASSETS</i>	
	<i>31 DECEMBER 2023</i>	<i>31 DECEMBER 2022</i>	<i>31 DECEMBER 2023</i>	<i>31 DECEMBER 2022</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
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
	2,970,430	3,353,958	32,221,302	37,291,223

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

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
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
	1,033,369	899,437
ALLOWANCE FOR EXPECTED CREDIT LOSS (NOTE 32)	(892)	(755)
TOTAL CASH AND BANK BALANCES	1,032,477	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
CASH AND CASH EQUIVALENTS	879,912	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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 CASH AND BANK BALANCES (CONTINUED)

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.

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

	2023 QR'000	2022 QR'000
<i>INVESTMENTS IN EQUITY SECURITIES:</i>		
QUOTED	<u>159,473</u>	<u>32,375</u>
	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)
AT 31 DECEMBER	<u>159,473</u>	<u>32,375</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 RECEIVABLES AND PREPAYMENTS

RECEIVABLES AND PREPAYMENTS ARE SEGREGATED BETWEEN NON-CURRENT AND CURRENT PORTION AS FOLLOWS:

	<i>NON-CURRENT</i>	<i>CURRENT</i>	<i>TOTAL</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
2023			
TRADE RECEIVABLES (1)	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)
	<u>748,126</u>	<u>3,269,576</u>	<u>4,017,702</u>
	<i>NON-CURRENT</i>	<i>CURRENT</i>	<i>TOTAL</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
2022			
TRADE RECEIVABLES (1)	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)
	<u>863,953</u>	<u>703,534</u>	<u>1,567,487</u>

(1) 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 "ASHGHAL". 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:

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
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)
AT 31 DECEMBER	<u>527,927</u>	<u>594,657</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 RECEIVABLES AND PREPAYMENTS (CONTINUED)

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:

	NOT DUE	CURRENT	MORE THAN 30 DAYS PAST DUE	MORE THAN 60 DAYS PAST DUE	MORE THAN 120 DAYS PAST DUE	TOTAL
31 DECEMBER 2023						
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)
31 DECEMBER 2022						
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 AGEING OF UNIMPAIRED TRADE RECEIVABLES IS AS FOLLOWS:

	<i>PAST DUE BUT NOT IMPAIRED</i>						
	TOTAL QR'000	NOT DUE QR'000	0 - 30 DAYS QR'000	31- 60 DAYS QR'000	61- 90 DAYS QR'000	91- 120 DAYS QR'000	MORE THAN 120 DAYS QR'000
2023	3,818,131	3,460,278	99,098	26,115	24,219	20,774	187,647
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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 RECEIVABLES AND PREPAYMENTS (CONTINUED)

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
	<u>621,600</u>	<u>617,369</u>

(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)
AT 31 DECEMBER	<u>26,080</u>	<u>27,326</u>

(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)
AT 31 DECEMBER	<u>595,520</u>	<u>590,043</u>

NOTES:

(1) 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 TRADING PROPERTIES (CONTINUED)

ACCOUNTING POLICIES:

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



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 TRADING PROPERTIES (CONTINUED)

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
INCOME FROM CONSULTANCY AND OTHER SERVICES - MAIN SHAREHOLDER	<u>65,572</u>	<u>53,977</u>

RELATED PARTY BALANCES

BALANCES WITH RELATED PARTIES INCLUDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION ARE AS FOLLOWS:

	<i>DUE FROM RELATED PARTIES</i>		<i>DUE TO RELATED PARTIES</i>	
	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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
	<u>74,109</u>	<u>227,048</u>	<u>100,516</u>	<u>178,279</u>

CURRENT AND NON-CURRENT PORTIONS OF DUE FROM AND DUE TO RELATED PARTIES ARE AS FOLLOWS:

	<i>DUE FROM RELATED PARTIES</i>		<i>DUE TO RELATED PARTIES</i>	
	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
NON-CURRENT	-	-	579	579
CURRENT	74,109	227,048	99,937	177,700
	<u>74,109</u>	<u>227,048</u>	<u>100,516</u>	<u>178,279</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 RELATED PARTY DISCLOSURES (CONTINUED)

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)	<u>(61,789)</u>	<u>5,784</u>
AT 31 DECEMBER	<u>70,184</u>	<u>131,973</u>

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.

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	<u>1,217</u>	<u>1,173</u>
	<u>35,261</u>	<u>34,667</u>

NOTE:

(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	<u>-</u>	<u>21,968</u>
	<u>132,280</u>	<u>21,968</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 NON-CURRENT ASSET HELD FOR SALE (CONTINUED)

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
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	<u>132,280</u>	<u>21,968</u>

- (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:

- (A) IT MUST BE AVAILABLE FOR IMMEDIATE SALE IN ITS PRESENT CONDITION,
 (B) ITS SALE MUST BE HIGHLY PROBABLE AND
 (C) 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:

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
INVESTMENTS IN EQUITY SECURITIES :		
QUOTED	64,767	72,541
UNQUOTED	33,137	55,824
	<u>97,904</u>	<u>128,365</u>

ACCOUNTING POLICIES:

THE POLICY APPLICABLE TO THE YEAR ENDED 31 DECEMBER 2023 IS DISCLOSED IN NOTE 4/7.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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	<u>33,137</u>	<u>55,824</u>

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	<p>MARKET APPROACH</p> <p>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.</p>	<p>ADJUSTMENTS WERE MADE FOR FACTORS SUCH AS CONTROL PREMIUM, BUSINESS OUTLOOK AND CONTINUITY, DISCOUNTS FOR LACK OF MARKETABILITY & ILLIQUIDITY, TRANSACTION COSTS, ETC.</p>	<p>THE ADJUSTMENTS MADE TO ARRIVE AT THE FAIR VALUE ARE ADEQUATE AND IN LINE WITH GENERALLY ACCEPTABLE PRACTICES AND METHODOLOGIES</p>

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	<u>358,427</u>	<u>324,118</u>
	2,223,249	2,188,940
LESS: ALLOWANCE FOR IMPAIRMENT OF ADVANCES	<u>(1,954,305)</u>	<u>(1,979,817)</u>
	<u>268,944</u>	<u>209,123</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 ADVANCES FOR PROJECTS AND INVESTMENTS (CONTINUED)

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	-
REVERSAL OF PROVISION (NOTE 32)	(29,419)	-
AT 31 DECEMBER	<u>1,954,305</u>	<u>1,979,817</u>

NOTE:

- (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
AT 1 JANUARY	35,520,905	32,425,715
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)
AT 31 DECEMBER	<u>30,464,441</u>	<u>35,520,905</u>

NOTES:

- (i) 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INVESTMENT PROPERTIES (CONTINUED)

- (ii) 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.
- (iii) THE GROUP HAS NO RESTRICTIONS ON THE REALISABILITY OF ITS INVESTMENT PROPERTIES
- (iv) 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.
- (v) 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.
- (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



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INVESTMENT PROPERTIES (CONTINUED)

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:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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
TOTAL	<u>5,752,609</u>	<u>4,483,138</u>

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:

<i>31 DECEMBER 2023</i>	<i>FAIR VALUE</i> <i>QR'000</i>	<i>LEVEL 3</i> <i>QR'000</i>
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
	<u>30,464,441</u>	<u>30,464,441</u>
	<i>FAIR VALUE</i> <i>QR'000</i>	<i>LEVEL 3</i> <i>QR'000</i>
<i>31 DECEMBER 2022</i>		
VACANT LANDS	8,160,161	8,160,161
COMPLETED PROPERTIES	26,559,482	26,559,482
UNDER CONSTRUCTION PROPERTIES	801,262	801,262
	<u>35,520,905</u>	<u>35,520,905</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INVESTMENT PROPERTIES (CONTINUED)

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.

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INVESTMENT PROPERTIES (CONTINUED)

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT

	<i>LAND</i>	<i>BUILDINGS</i>	<i>FURNITURE AND FIXTURES</i>	<i>LEASEHOLD IMPROVEMENTS</i>	<i>COOLING PLANTS</i>	<i>OTHER FIXED ASSETS</i>	<i>TOTAL</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Cost							
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
At 31 December 2022	112,999	366,866	229,268	120,956	244,792	129,888	1,204,769
Accumulated depreciation							
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
Net book value at 31 December 2022	112,659	250,450	5,333	221	146,599	13,333	528,595
Cost							
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)
At 31 December 2023	113,240	350,272	229,681	120,988	260,412	141,872	1,216,465
Accumulated depreciation							
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
At 31 December 2023	340	127,365	226,786	120,876	109,225	123,603	708,195
Net book value at 31 December 2023	112,900	222,907	2,895	112	151,187	18,269	508,270



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 RIGHT-OF-USE ASSETS

THE COMPANY LEASES SEVERAL BUILDINGS . THE REMAINING LEASE TERM IS 1 - 24 YEARS.

	<u>BUILDINGS</u>
	<u>QR'000</u>
COST	
AT 1 JANUARY 2022	104,433
ADDITIONS	39
AT 31 DECEMBER 2022	<u>104,472</u>
ACCUMULATED AMORTISATION	
AT 1 JANUARY 2022	(88,599)
CHARGE FOR THE YEAR	(4,016)
AT 31 DECEMBER 2022	<u>(92,615)</u>
NET BOOK VALUE AT 31 DECEMBER 2022	<u>11,857</u>
	<u>BUILDINGS</u>
	<u>QR'000</u>
COST	
AT 1 JANUARY 2023	104,472
ADDITIONS	53
AT 31 DECEMBER 2023	<u>104,525</u>
ACCUMULATED AMORTISATION	
AT 1 JANUARY 2023	(92,615)
CHARGE FOR THE YEAR	(4,077)
AT 31 DECEMBER 2023	<u>(96,692)</u>
NET BOOK VALUE AT 31 DECEMBER 2023	<u>7,833</u>

AMOUNTS RECOGNISED IN CONSOLIDATED STATEMENT OF PROFIT OR LOSS DURING THE YEAR IS SUMMARIZED AS FOLLOWS:

	2023	2022
	QR'000	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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 RIGHT-OF-USE ASSETS (CONTINUED)

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

• **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%
PANCELITICA HOLDING LIMITED (I)	RE DEVELOPMENT	UK	26%	26%
AL DAMAAN ISLAMIC INSURANCE CO	INSURANCE	QATAR	-	20%
			2023	2022
			QR'000	QR'000
GROUP'S SHARE IN EQUITY OF ASSOCIATES			224,054	286,764
LESS: PROVISION FOR IMPAIRMENT			(200,935)	(200,935)
			23,119	85,829



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 INVESTMENTS IN ASSOCIATES (CONTINUED)

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
At 31 DECEMBER	23,119	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
	(16,227)	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.

THE FOLLOWING TABLE ILLUSTRATES THE SUMMARISED FINANCIAL INFORMATION OF THE GROUP'S INVESTMENT IN ASSOCIATES:

	2023 QR'000	2022 QR'000
TOTAL GROUP'S SHARE OF THE ASSOCIATES' STATEMENT OF FINANCIAL POSITION:		
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)
EQUITY	(63,024)	562,111
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)
CARRYING AMOUNT OF THE INVESTMENTS	23,119	85,829



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 INVESTMENTS IN ASSOCIATES (CONTINUED)

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
REVENUE FROM CONTRACTS WITH CUSTOMERS	267,624	718,447
ADMINISTRATIVE EXPENSES	(283,956)	(657,819)
FINANCE COSTS	(23,452)	(31,533)
PROFIT FOR THE YEAR	(39,783)	29,095
SHARE OF RESULTS	(16,227)	6,598

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 GOODWILL

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
AT 1 JANUARY	132,411	132,411
PROVISION FOR IMPAIRMENT (NOTE 32)	<u>(6,000)</u>	<u>-</u>
AT 31 DECEMBER	<u>126,411</u>	<u>132,411</u>

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

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 TAX AND ZAKAT EXPENSES

INCOME TAX AND ZAKAT EXPENSE ARE ANALYSED AS FOLLOWS:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
INCOME TAX (I)	(10,068)	(10,377)
ZAKAT EXPENSE (II)	-	(79)
OTHER TAXES	-	(146)
	<u>(10,068)</u>	<u>(10,602)</u>

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 2023 AND 2022 ARE:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
CURRENT INCOME TAX		
CURRENT INCOME TAX CHARGE	(15,123)	(13,202)
DEFERRED INCOME TAX		
RELATING TO ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	<u>5,055</u>	<u>2,825</u>
INCOME TAX EXPENSE REPORTED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	<u>(10,068)</u>	<u>(10,377)</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 TAX AND ZAKAT EXPENSES (CONITNUED)

REFLECTED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS FOLLOWS:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
DEFERRED TAX ASSETS	4,995	4,436
DEFERRED TAX LIABILITIES	<u>(7,095)</u>	<u>(11,591)</u>
	<u>(2,100)</u>	<u>(7,155)</u>

THE FOLLOWING ARE THE MAJOR DEFERRED TAX ASSETS AND LIABILITIES RECOGNISED BY THE GROUP AND MOVEMENTS THEREON DURING THE CURRENT AND PRIOR YEAR:

	<i>DEFERRED TAX</i> <i>QR'000</i>
AT 1 JANUARY 2022	(9,951)
CHARGE TO PROFIT OR LOSS	2,825
EXCHANGE DIFFERENCES	(29)
AT 1 JANUARY 2023	<u>(7,155)</u>
CHARGE TO PROFIT OR LOSS	5,055
EXCHANGE DIFFERENCES	-
AT 31 DECEMBER 2023	<u>(2,100)</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 TAX AND ZAKAT EXPENSES (CONTINUED)

ACCOUNTING POLICY (CONTINUED)

CURRENT AND DEFERRED INCOME TAX (CONTINUED)

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.

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 PAYABLES AND OTHER LIABILITIES

PAYABLES AND OTHER LIABILITIES ARE CLASSIFIED INTO NON-CURRENT AND CURRENT PORTION AS FOLLOWS:

	<i>Non- CURRENT QR'000</i>	<i>CURRENT QR'000</i>	<i>TOTAL QR'000</i>
2023			
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
	<u>104,279</u>	<u>1,140,591</u>	<u>1,244,870</u>
	<i>Non- CURRENT QR'000</i>	<i>CURRENT QR'000</i>	<i>TOTAL QR'000</i>
2022			
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
	<u>185,028</u>	<u>1,207,610</u>	<u>1,392,638</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 PROVISIONS

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
PROVISION FOR LITIGATIONS	11,413	23,432
PROVISION FOR CLAIMS	-	2,500
PROVISION FOR EXCESS LOSSES FROM ASSOCIATES (NOTE 15)	<u>197,639</u>	<u>-</u>
	<u>209,052</u>	<u>25,932</u>
	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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	<u>(33,298)</u>	<u>(135)</u>
AT 31 DECEMBER	<u>209,052</u>	<u>25,932</u>

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 RECOGNIZED 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

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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	<u>31</u>	<u>(40)</u>
AT 31 DECEMBER	<u>133,909</u>	<u>133,035</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 END OF SERVICE BENEFITS (CONTINUED)

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.

21 LEASE LIABILITIES

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
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)
AT 31 DECEMBER	<u>246,393</u>	<u>302,158</u>

LEASE LIABILITIES ARE FURTHER ANALYSED AS FOLLOWS:

CURRENT	20,191	50,145
NON-CURRENT	<u>226,202</u>	<u>252,013</u>
AT 31 DECEMBER	<u>246,393</u>	<u>302,158</u>

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>MATURITY ANALYSIS:</i>		
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	<u>506,900</u>	<u>436,836</u>
	599,466	576,780
DEFERRED FINANCE COST	<u>(353,073)</u>	<u>(274,622)</u>
	<u>246,393</u>	<u>302,158</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 LEASE LIABILITIES (CONTINUED)

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

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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
	<u>13,615,406</u>	<u>16,479,664</u>
	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
UN-SECURED FACILITIES	10,138,158	10,962,468
SECURED FACILITIES (*)	3,546,746	5,559,263
DEFERRED FINANCE CHARGES	(69,498)	(42,067)
	<u>13,615,406</u>	<u>16,479,664</u>
THE ABOVE BALANCE IS ANALYZED AS FOLLOWS:		
NON-CURRENT PORTION	12,361,666	15,003,400
CURRENT PORTION	<u>1,253,740</u>	<u>1,476,264</u>
	<u>13,615,406</u>	<u>16,479,664</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS (CONTINUED)

FOLLOWING IS A SUMMARY OF THE TERMS OF THE BORROWINGS AT YEAR END:

CURRENCY	ORIGINAL CURRENCY	MATURITY	PROFIT	PROFIT RATE	2023	2022
					QR'000	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
					<u>13,684,904</u>	<u>16,521,731</u>

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 POLICIES:

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.

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS (CONTINUED)

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

	<i>2023</i>	<i>2022</i>
	<i>NO OF SHARES (THOUSANDS)</i>	<i>NO OF SHARES (THOUSANDS)</i>
<i>AUTHORISED SHARES:</i>		
ORDINARY SHARES OF QR 1 EACH (1)	<u>3,891,246</u>	<u>3,891,246</u>
	<i>NO OF SHARES (THOUSANDS)</i>	<i>QR'000</i>
<i>ORDINARY SHARES ISSUED AND FULLY PAID UP:</i>		
AT 1 JANUARY 2022	<u>3,891,246</u>	<u>3,891,246</u>
AT 31 DECEMBER 2022	<u>3,891,246</u>	<u>3,891,246</u>
AT 31 DECEMBER 2023	<u>3,891,246</u>	<u>3,891,246</u>

- (1) 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 IT'S 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 IT'S 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
BALANCE AT 1 JANUARY	4,639,231	4,639,231
AT 31 DECEMBER	<u>4,639,231</u>	<u>4,639,231</u>

26 OTHER RESERVES

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
FAIR VALUE RESERVE (I)	(157,633)	(167,431)
TRANSLATION RESERVE	(196,420)	(208,568)
OTHER RESERVE	-	(851)
AT 31 DECEMBER	<u>(354,053)</u>	<u>(376,850)</u>

(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.

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
AT 1 JANUARY	(167,431)	(194,312)
MOVEMENT DURING THE YEAR	9,798	26,881
AT 31 DECEMBER	<u>(157,633)</u>	<u>(167,431)</u>

27 RENTAL OPERATION EXPENSES

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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
	<u>266,373</u>	<u>444,581</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 RENTAL INCOME AND INCOME FROM CONSULTANCY AND OTHER SERVICES

28.1 RENTAL INCOME

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
GROSS RENTAL INCOME	1,442,519	1,742,652
TENANT INCENTIVES "NET"	4,228	3,579
NET RENTAL INCOME	<u>1,446,747</u>	<u>1,746,231</u>

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

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
INCOME FROM CONSULTANCY SERVICES (I)	180,485	185,332
SECONDMENT INCOME (I)	40,645	37,528
	<u>221,130</u>	<u>222,860</u>
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
	<u>351,955</u>	<u>336,504</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 RENTAL INCOME AND INCOME FROM CONSULTANCY AND OTHER SERVICES (CONTINUED)

28.2 INCOME FROM CONSULTANCY AND OTHER SERVICES (CONTINUED)

NOTES:

(I) TIMING OF REVENUE RECOGNITION OF INCOME FROM CONSULTANCY AND OTHER SERVICES ARE FURTHER ANALYZED AS FOLLOWS :

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>POINT-IN TIME</i>	40	4,130
<i>OVER THE PERIOD OF TIME</i>		
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
	<u>351,955</u>	<u>336,504</u>

(II) INCOME FROM CONSULTANCY AND OTHER SERVICES BY CUSTOMER IS AS FOLLOWS:

EXTERNAL PARTIES	286,383	282,527
RELATED PARTIES (NOTE 8)	65,572	53,977
	<u>351,955</u>	<u>336,504</u>

(III) GEOGRAPHIC MARKETS OF INCOME FROM CONSULTANCY AND OTHER SERVICES ARE ANALYSED BELOW.

STATE OF QATAR	343,202	330,112
OTHER COUNTRIES	8,753	6,392
	<u>351,955</u>	<u>336,504</u>

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:

- THE CUSTOMER SIMULTANEOUSLY RECEIVES AND CONSUMES THE BENEFITS PROVIDED BY THE GROUP'S PERFORMANCE AS THE GROUP PERFORMS;
- THE GROUP'S PERFORMANCE CREATES OR ENHANCES AN ASSET THAT THE CUSTOMER CONTROLS AS THE ASSET IS CREATED OR ENHANCED; OR
- 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 RENTAL INCOME AND INCOME FROM CONSULTANCY AND OTHER SERVICES (CONTINUED)

28.2 INCOME FROM CONSULTANCY AND OTHER SERVICES (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

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

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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
	<u>282,820</u>	<u>256,754</u>

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

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
REVENUE FROM CONSTRUCTION SERVICES (1)	5,494	373,047
SALE OF PROPERTIES	3,605	130,146
	<u>9,099</u>	<u>503,193</u>
COST OF CONSTRUCTION SERVICES (1)	(5,362)	(324,030)
COST OF SALE OF PROPERTIES	(6,851)	(122,939)
	<u>(12,213)</u>	<u>(446,969)</u>
	<u>(3,114)</u>	<u>56,224</u>

NOTE:

- (1) 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
STAFF COSTS	154,739	160,045
PROFESSIONAL FEE EXPENSES	23,290	19,522
BOARD OF DIRECTORS REMUNERATION AND OTHERS (1)	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
	<u>214,769</u>	<u>217,886</u>

NOTE:

(1) 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)

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
IMPAIRMENT LOSSES :		
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)	-
REVERSAL OF IMPAIRMENT:		
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
NET IMPAIRMENT REVERSAL / (LOSS)	<u>32,127</u>	<u>(332,486)</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 OTHER INCOME

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
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
	<u>42,854</u>	<u>38,489</u>

ACCOUNTING POLICY:

DIVIDEND INCOME

DIVIDEND INCOME IS RECOGNIZED WHEN THE RIGHT TO RECEIVE THE DIVIDEND IS ESTABLISHED.

34 NET FINANCE COST

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
<i>FINANCE COST</i>		
FINANCE COST ON ISLAMIC FINANCE CONTRACTS	(1,052,603)	(649,548)
LESS: CAPITALIZED FINANCE COST (NOTE 12)	297,564	252,914
	(755,039)	(396,634)
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	<u>(783,083)</u>	<u>(491,670)</u>
<i>FINANCE INCOME</i>		
INCOME FROM MURABAHA AND ISLAMIC DEPOSITS	28,786	13,922
OTHERS	24,453	6,516
FINANCE INCOME FOR THE YEAR	<u>53,239</u>	<u>20,438</u>
NET FINANCE COST FOR THE YEAR	<u>(729,844)</u>	<u>(471,232)</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 NET FINANCE COST (CONTINUED)

ACCOUNTING POLICY (CONTINUED)

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:

- (A) INCURS EXPENDITURES FOR THE ASSET;
- (B) INCURS BORROWING COSTS; AND
- (C) 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:

	<i>2023</i>	<i>2022</i>
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT FOR BASIC EARNINGS (IN QR'000)	<u>1,229,251</u>	<u>1,138,038</u>
ORDINARY SHARES ISSUED AND FULLY PAID (THOUSAND SHARES)	<u>3,891,346</u>	<u>3,891,246</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR (THOUSAND SHARES)	<u>3,891,246</u>	<u>3,891,246</u>
BASIC AND DILUTED EARNINGS PER SHARE (QR)	<u>0.316</u>	<u>0.292</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
TRANSLATION RESERVES	12,143	(2,755)
FAIR VALUE RESERVES	(10,371)	(15,889)
OTHER RESERVE	851	535
	<u>2,623</u>	<u>(18,109)</u>

37 DIVIDENDS

DIVIDENDS PAID AND PROPOSED

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>DECLARED AND ACCRUED DURING THE YEAR:</i>		
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)	<u>680,968</u>	<u>680,968</u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 CASH FLOW INFORMATION

<i>NET DEBT ANALYSIS :</i>	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
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	<u>(12,525,486)</u>	<u>(15,658,046)</u>
CASH, DEPOSIT AND LIQUID INVESTMENTS	1,089,920	821,618
GROSS DEBT – VARIABLE FINANCE COST RATES	(13,615,406)	(16,479,664)
NET DEBT	<u>(12,525,486)</u>	<u>(15,658,046)</u>

40 CONTINGENT LIABILITIES

THE GROUP HAD THE FOLLOWING CONTINGENT LIABILITIES FROM WHICH IT IS ANTICIPATED THAT NO MATERIAL LIABILITIES WILL ARISE.

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
BANK GUARANTEES	<u>157,938</u>	<u>170,543</u>

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

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
CONTRACTUAL COMMITMENTS WITH CONTRACTORS AND SUPPLIERS FOR PROPERTIES UNDER DEVELOPMENT	<u>469,291</u>	<u>502,269</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	<i>CARRYING AMOUNTS</i>		<i>FAIR VALUES</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
FINANCIAL ASSETS				
<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
FINANCIAL LIABILITIES				
<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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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	TOTAL QR'000	FAIR VALUE MEASUREMENT USING		
			QUOTED PRICES IN ACTIVE MARKETS LEVEL 1 QR'000	SIGNIFICANT OBSERVABLE INPUTS LEVEL 2 QR'000	SIGNIFICANT UNOBSERVABLE INPUTS LEVEL 3 QR'000
ASSETS MEASURED AT FAIR VALUE:					
<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	TOTAL QR'000	FAIR VALUE MEASUREMENT USING		
			QUOTED PRICES IN ACTIVE MARKETS LEVEL 1 QR'000	SIGNIFICANT OBSERVABLE INPUTS LEVEL 2 QR'000	SIGNIFICANT UNOBSERVABLE INPUTS LEVEL 3 QR'000
ASSETS MEASURED AT FAIR VALUE:					
<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).



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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.

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

43.2 BASIS OF CONSOLIDATION (CONTINUED)

(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%

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

<i>NAME OF SUBSIDIARY</i>	<i>COUNTRY OF INCORPORATION</i>	<i>31 DECEMBER 2023</i>	<i>31 DECEMBER 2022</i>
NUZUL HOLDING COMPANY B.S.C (C)	KINGDOM OF BAHRAIN	51%	51%
QATAR PROJECT MANAGEMENT COMPANY Q.P.S.C.	QATAR	30%	30%

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
<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:

	<i>QATAR PROJECT MANAGEMENT COMPANY Q.P.S.C. QR'000</i>	<i>NUZUL HOLDING COMPANY B.S.C (C) QR'000</i>
<i>SUMMARISED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023:</i>		
REVENUES AND GAINS	92,266	18,133
EXPENSES AND LOSSES	(84,195)	(14,478)
PROFIT FOR THE YEAR	8,071	3,655
TOTAL COMPREHENSIVE INCOME	8,071	3,655
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	2,421	1,864
DIVIDEND PAID TO NON-CONTROLLING INTERESTS	7,500	1,162
<i>SUMMARISED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022:</i>		
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



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

	QATAR PROJECT MANAGEMENT COMPANY Q.P.S.C. QR'000	NUZUL HOLDING COMPANY B.S.C (c) QR'000
<i>SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023:</i>		
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)
NET EQUITY	91,256	270,017
<i>ATTRIBUTABLE TO:</i>		
EQUITY HOLDERS OF PARENT	63,879	132,308
NON-CONTROLLING INTEREST	27,377	137,709
TOTAL EQUITY	91,256	270,017
<i>SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022:</i>		
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)
NET EQUITY	107,687	267,525
<i>ATTRIBUTABLE TO:</i>		
EQUITY HOLDERS OF PARENT	75,381	131,087
NON-CONTROLLING INTEREST	32,306	136,438
TOTAL EQUITY	107,687	267,525
<i>SUMMARISED CASH FLOW INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023:</i>		
OPERATING ACTIVITIES	16,839	(1,321)
INVESTING ACTIVITIES	17,799	3,125
FINANCING ACTIVITIES	(33,772)	(1,162)
NET INCREASE IN CASH AND CASH EQUIVALENTS	866	642
<i>SUMMARISED CASH FLOW INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022:</i>		
OPERATING ACTIVITIES	(9,758)	2,389
INVESTING ACTIVITIES	10,486	(1,441)
FINANCING ACTIVITIES	(16,268)	(1,162)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,540)	(214)



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

MARKET RISK (CONTINUED)

(A) PROFIT RATE RISK (CONTINUED)

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:

	<i>CARRYING AMOUNTS</i>	
	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>FLOATING PROFIT RATE INSTRUMENTS:</i>		
FIXED TERM DEPOSITS (NOTE 4)	575,030	440,294
FINANCIAL LIABILITIES – BORROWINGS (NOTE 22)	(13,615,406)	(16,479,664)

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.

	<i>PROFIT OR LOSS +/- 25 BPS QR'000</i>
<i>At 31 DECEMBER 2023</i>	<u><i>-/+ 40,215</i></u>
<i>At 31 DECEMBER 2022</i>	<u><i>-/+ 39,465</i></u>

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

MARKET RISK (CONTINUED)

(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:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
	<i>ASSETS</i> <i>(LIABILITIES)</i>	<i>ASSETS</i> <i>(LIABILITIES)</i>
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.

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.

	<i>2023</i> <i>QR'000</i> <i>+/- 5%</i>	<i>2022</i> <i>QR'000</i> <i>+/- 5%</i>
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)



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

MARKET RISK (CONTINUED)

(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.

	<i>% CHANGES IN MARKET INDICES</i>	<i>EFFECT ON PROFIT QR'000</i>	<i>EFFECT ON EQUITY QR'000</i>
<i>2023</i>			
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
<i>2022</i>			
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:

	<i>2023 QR'000</i>	<i>2022 QR'000</i>
BANK BALANCES	1,032,830	898,811
RECEIVABLES	4,005,900	1,552,606
DUE FROM RELATED PARTIES	74,109	227,048
	<u>5,112,839</u>	<u>2,678,465</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

THE MAXIMUM EXPOSURE TO CREDIT RISK AT THE REPORTING DATE BY GEOGRAPHIC REGION WAS AS FOLLOWS:

	<i>CARRYING AMOUNTS</i>				
	<i>DOMESTIC QR'000</i>	<i>OTHER GCC COUNTRIES QR'000</i>	<i>EUROPEAN COUNTRIES QR'000</i>	<i>NORTH AFRICA QR'000</i>	<i>TOTAL QR'000</i>
2023					
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
	5,029,340	41,898	39,817	1,784	5,112,839
	<i>DOMESTIC QR'000</i>	<i>OTHER GCC COUNTRIES QR'000</i>	<i>EUROPEAN COUNTRIES QR'000</i>	<i>NORTH AFRICA QR'000</i>	<i>TOTAL QR'000</i>
2022					
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
	2,607,036	27,216	40,856	3,357	2,678,465

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

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%).

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:

	<i>2023</i> <i>QR'000</i>	<i>2022</i> <i>QR'000</i>
A+	34,241	30,511
AI	208,561	466,097
A	107,923	146,532
A-	658,135	237,685
BBB+	7	1,549
OTHERS	23,963	16,437
TOTAL	1,032,830	898,811

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



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

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:

	<i>CARRYING AMOUNTS QR'000</i>	<i>CONTRACTUAL</i>					<i>MORE THAN 5 YEARS QR'000</i>
		<i>CASH OUT FLOWS QR'000</i>	<i>LESS THAN 1 YEAR QR'000</i>	<i>1- 2 YEARS QR'000</i>	<i>2 - 5 YEARS QR'000</i>		
2023							
PAYABLES AND OTHER LIABILITIES	1,222,247	1,232,300	1,125,765	106,535	-	-	
DUE TO RELATED PARTIES	100,516	100,516	99,937	579	-	-	
LEASE LIABILITIES	246,393	599,466	31,607	17,398	43,561	506,900	
OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	13,615,406	18,242,939	2,068,714	2,304,965	4,903,679	8,965,581	
	15,184,562	20,175,221	3,326,023	2,429,477	4,947,240	9,472,481	
	<i>CARRYING AMOUNTS QR'000</i>	<i>CONTRACTUAL CASH OUT FLOWS QR'000</i>	<i>LESS THAN 1 YEAR QR'000</i>	<i>1- 2 YEARS QR'000</i>	<i>2 - 5 YEARS QR'000</i>	<i>MORE THAN 5 YEARS QR'000</i>	
2022							
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	
	18,335,428	24,458,333	3,881,903	2,951,815	7,848,533	9,776,082	



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

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:

	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
2023					
TRADE AND OTHER RECEIVABLES	3,302,356	61,564	146,024	495,956	4,005,900
DUE FROM RELATED PARTIES	74,109	-	-	-	74,109
INVESTMENT IN EQUITY INSTRUMENTS	159,473	97,904	-	-	257,377
	<u>3,535,938</u>	<u>159,468</u>	<u>146,024</u>	<u>495,956</u>	<u>4,337,386</u>
	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
2022					
TRADE AND OTHER RECEIVABLES	736,854	73,993	199,823	541,936	1,552,606
DUE FROM RELATED PARTIES	227,048	-	-	-	227,048
INVESTMENT IN EQUITY INSTRUMENTS	32,375	128,365	-	-	160,740
	<u>996,277</u>	<u>202,358</u>	<u>199,823</u>	<u>541,936</u>	<u>1,940,394</u>

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 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 FINANCIAL RISK MANAGEMENT (CONTINUED)

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:

	<i>2023</i>	<i>2022</i>
	<i>QR'000</i>	<i>QR'000</i>
FINANCE COST BEARING DEBTS	13,615,406	16,479,664
LESS: CASH AND BANK BALANCES	<u>(1,032,830)</u>	<u>(898,811)</u>
NET DEBT	12,582,576	15,580,853
TOTAL EQUITY (EXCLUDING LEGAL RESERVE & NON-CONTROLLING INTERESTS)	<u>19,741,269</u>	<u>19,252,684</u>
NET DEBT TO EQUITY RATIO AT 31 DECEMBER	<u>63.74%</u>	<u>80.93%</u>



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
- 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

46 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

IFRS 16 – LEASES (CONTINUED)

THE GROUP AS A LESSEE (CONTINUED)

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 RECOGNIZED 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.

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).



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

IFRS 16 – LEASES (CONTINUED)

THE GROUP AS A LESSEE (CONTINUED)

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 RECOGNIZED 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 RECOGNIZED 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

IFRS 16 – LEASES (CONTINUED)

THE GROUP AS A LESSEE (CONTINUED)

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, RECOGNIZED THE USE OF RELEVANT OBSERVABLE INPUTS AND RECOGNIZED THE USE OF UNOBSERVABLE INPUTS.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

FAIR VALUE MEASUREMENT (CONTINUED)

ALL ASSETS AND LIABILITIES FOR WHICH FAIR VALUE IS MEASURED OR DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE RECOGNIZED 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

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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 RECOGNIZED 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 TIME-FRAME ESTABLISHED BY REGULATION OR CONVENTION IN THE MARKET PLACE (REGULAR WAY TRADES) ARE RECOGNIZED 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 RECOGNIZED 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 RECOGNIZED 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

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.

TENANT DEPOSITS

TENANT DEPOSITS LIABILITIES ARE INITIALLY RECOGNIZED 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 RECOGNIZED 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 RECOGNIZED IN THE CONSOLIDATED STATEMENT PROFIT OR LOSS, AND OTHER CHANGES IN CARRYING AMOUNT ARE RECOGNIZED 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 RECOGNIZED 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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:

- (A) ASSETS AND LIABILITIES FOR EACH STATEMENT OF FINANCIAL POSITION PRESENTED ARE TRANSLATED AT THE CLOSING RATE AT THE DATE OF THAT FINANCIAL POSITION;
- (B) 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
- (C) ALL RESULTING EXCHANGE DIFFERENCES ARE RECOGNIZED IN THE CONSOLIDATED STATEMENT OF 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 RECOGNIZED IN THE CONSOLIDATED STATEMENT OF 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS
(CONTINUED)

48.1 NEW AND AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR (CONTINUED)

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.

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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

48.1 NEW AND AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR (CONTINUED)

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 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 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.



BARWA REAL ESTATE COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

48.2 NEW AND AMENDED IFRSs IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED (CONTINUED)

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.

