



Barwa Real Estate Company Q.P.S.C.
Consolidated Financial Statement
31 December 2025

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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 2025, 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 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 audits of the consolidated financial statements of public interest entities 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
Valuation of investment properties	
<p>The Group owns investment properties which are measured at fair value. The fair value of Group's investment properties at 31 December 2025 amounted to QR 32,010,374 thousand (2024: QR 31,347,223 thousand), which represents 85.4% of the Group's total assets as at 31 December 2025 (2024: 84.3%).</p> <p>The investment properties include completed properties, properties under construction and plots of land. Majority of the investment properties, i.e. 99.12% (2024: 98.94%), 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 2025 Annual Report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 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 IFRS Accounting Standards as issued by the IASB, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

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

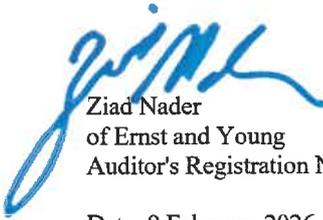
Report on the Audit of the Consolidated Financial Statements (continued)

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: 9 February 2026
Doha



Barwa Real Estate Company Q.P.S.C.
Consolidated financial statements
As at 31 December 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2025 QR'000	2024 QR'000
ASSETS			
Cash and bank balances	4	1,767,825	2,734,027
Financial assets at fair value through profit or loss	5	130,750	118,824
Receivables and prepayments	6	1,048,851	1,147,380
Inventories		10,696	10,477
Trading properties	7	656,095	546,438
Due from related parties	8	84,610	68,834
Financial assets at fair value through other comprehensive income	10	816,082	239,437
Advances for projects and investments	11	286,715	269,138
Investment properties	12	32,010,374	31,347,223
Property, plant and equipment	13	435,361	467,730
Right-of-use assets	14	2,930	3,720
Investments in associates	15	3,985	8,080
Deferred tax assets	17	4,896	5,487
Goodwill	16	126,411	126,411
		37,385,581	37,093,206
Assets held for sale	9	78,705	73,743
TOTAL ASSETS		37,464,286	37,166,949
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	18	842,788	950,008
Due to related parties	8	168,394	149,409
Provisions	19	58,641	170,556
Lease liabilities	21	220,917	203,572
Obligations under Islamic finance contracts	22	12,989,070	13,060,237
End of service benefits	20	148,348	139,864
Deferred tax liabilities	17	6,234	6,535
		14,434,392	14,680,181
Liabilities directly associated with the assets held for sale	9(ii)	609	1,491
TOTAL LIABILITIES		14,435,001	14,681,672
EQUITY			
Share capital	23	3,891,246	3,891,246
Legal reserve	24	2,153,494	2,148,008
General reserve	25	4,639,231	4,639,231
Other reserves	26	(296,565)	(336,607)
Retained earnings		12,464,301	11,966,414
Total equity attributable to equity holders of the Parent		22,851,707	22,308,292
Non-controlling interests		177,578	176,985
Total equity		23,029,285	22,485,277
TOTAL LIABILITIES AND EQUITY		37,464,286	37,166,949

These consolidated financial statements were authorised for issuance by the Board of Directors on 9 February 2026 and signed on their behalf by:

H.E. Abdulla Bin Hamad Al-Attayah
Chairman

Eng. Ahmad Mohammad Al-Tayeb
Group Chief Executive Officer & Board Member

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

EY ERNST & YOUNG
P.O. BOX: 164, DOHA - QATAR

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ص.ب : ١٦٤ ، الدوحة - قطر

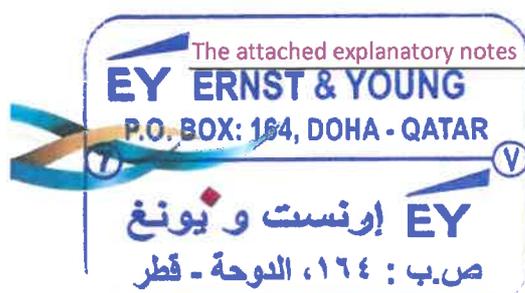
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Barwa Real Estate Company Q.P.S.C.
Consolidated financial statements
For the year ended 31 December 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2025 QR'000	2024 QR'000
Rental income	28.1	1,482,393	1,441,207
Rental operation expenses	27	(306,348)	(293,812)
Net rental income		1,176,045	1,147,395
Income from consultancy and other services	28.2	367,124	382,052
Consultancy and other services expenses	29	(259,886)	(281,644)
Net consulting and other service income		107,238	100,408
Sale of property and construction services	30	8,637	91,224
Cost of sale of property and construction services	30	(7,888)	(77,291)
Profit on sale of property and construction services		749	13,933
Net fair value gain on investment properties	12	646,185	825,643
Gain from disposal of a subsidiary	43.2d	-	67
Share of results of associates	15	1,109	32
Gain / (loss) on revaluation of financial assets at fair value through profit or loss	5	12,036	(1,792)
Gain from sale of non-current asset held for sale	9	21,298	4,899
General and administrative expenses	31	(217,811)	(209,559)
Net impairment loss	32	(41,064)	(17,462)
Other income	33	104,670	46,118
Operating profit before finance cost, depreciation, amortisation and income tax		1,810,455	1,909,682
Finance income	34	111,468	171,499
Finance cost	34	(639,279)	(795,485)
Net finance cost		(527,811)	(623,986)
Profit before depreciation, amortisation and income tax		1,282,644	1,285,696
Depreciation	13	(10,467)	(13,106)
Amortisation of right-of-use assets	14	(790)	(4,061)
Profit before income tax and zakat		1,271,387	1,268,529
Tax and zakat expense	17	(31,575)	(11,143)
Profit from continuing operation		1,239,812	1,257,386
Net Profit / (loss) after tax from discontinued operations	43.2d	563	(16,173)
Profit for the year		1,240,375	1,241,213
Attributable to:			
Equity holders of the Parent		1,243,162	1,236,149
Non-controlling interests	44	(2,787)	5,064
		1,240,375	1,241,213
Basic and diluted earnings per share (attributable to equity holders of the Parent expressed in QR per share)	35	0.3195	0.3177
Basic and diluted earnings per share for continuing operations (attributable to equity holders of the Parent expressed in QR per share)		0.3193	0.3218

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 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025 QR'000	2024 QR'000
Profit for the year		<u>1,240,375</u>	<u>1,241,213</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	36	30,566	(125)
<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	36	1,372	(7,834)
Other reserves	36	-	1,034
Other comprehensive income / (loss) for the year		<u>31,938</u>	<u>(6,925)</u>
Total comprehensive income for the year		<u>1,272,313</u>	<u>1,234,288</u>
Attributable to:			
Equity holders of the Parent		1,274,918	1,229,296
Non-controlling interests		<u>(2,605)</u>	<u>4,992</u>
		<u>1,272,313</u>	<u>1,234,288</u>



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 2025**

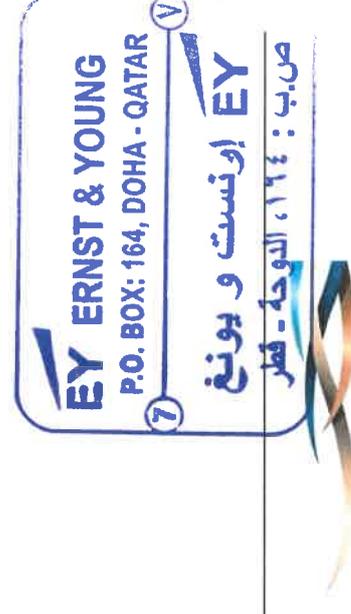
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						Non- controlling interests	Total Equity
	Share capital	Legal reserve	General reserve	Other reserves	Retained earnings	Total		
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	
Balance at 1 January 2025	3,891,246	2,148,008	4,639,231	(336,607)	11,966,414	22,308,292	22,485,277	
Profit for the year	-	-	-	-	1,243,162	1,243,162	1,240,375	
Other comprehensive income for the year	-	-	-	31,756	-	31,756	31,938	
Total comprehensive income / (loss) for the year	-	-	-	31,756	1,243,162	1,274,918	1,272,313	
Transfer to legal reserve	-	5,486	-	-	(5,486)	-	-	
Contribution to the Social and Sports Fund (Note 38)	-	-	-	-	(31,079)	(31,079)	(31,079)	
Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income	-	-	-	8,286	(8,286)	-	-	
Liquidation of a subsidiary 43.2 (e)	-	-	-	-	-	-	7,698	
Transactions with shareholders in their capacity as owners:								
Dividends for 2024 (Note 37)	-	-	-	-	(700,424)	(700,424)	(700,424)	
Dividend paid to Non-controlling interest	-	-	-	-	-	-	(4,500)	
Balance at 31 December 2025	3,891,246	2,153,494	4,639,231	(296,565)	12,464,301	22,851,707	23,029,285	

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



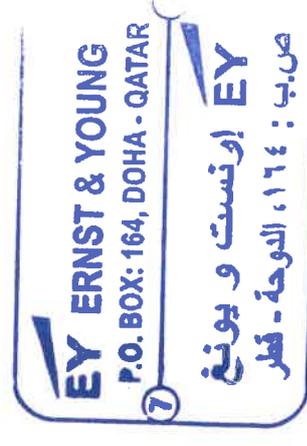
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**Barwa Real Estate Company Q.P.S.C.
Consolidated financial statements
For the year ended 31 December 2025**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the Parent					Non- controlling interests QR'000	Total Equity QR'000
	Share capital QR'000	Legal reserve QR'000	General reserve QR'000	Other reserves QR'000	Retained earnings QR'000		
Balance at 1 January 2024	3,891,246	2,069,055	4,639,231	(354,053)	11,564,845	171,993	21,982,317
Profit for the year	-	-	-	-	1,236,149	5,064	1,241,213
Other comprehensive loss for the year	-	-	-	(6,853)	-	(72)	(6,925)
Total comprehensive (loss) / income for the year	-	-	-	(6,853)	1,236,149	4,992	1,234,288
Transfer to Legal Reserve	-	78,953	-	-	(78,953)	-	-
Contribution to the Social and Sports Fund (Note 38)	-	-	-	-	(30,904)	-	(30,904)
Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income	-	-	-	24,299	(24,299)	-	-
Transactions with shareholders in their capacity as owners:							
Dividends for 2023 (Note 37)	-	-	-	-	(700,424)	-	(700,424)
Balance at 31 December 2024	3,891,246	2,148,008	4,639,231	(336,607)	11,966,414	176,985	22,485,277

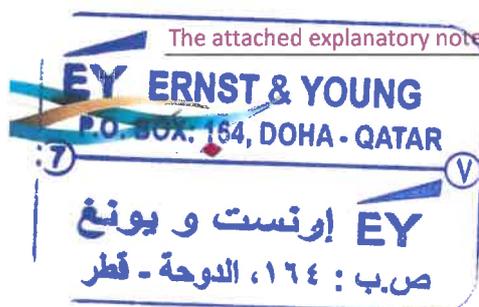


Barwa Real Estate Company Q.P.S.C.
Consolidated financial statements
For the year ended 31 December 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2025 QR'000	2024 QR'000
OPERATING ACTIVITIES			
Profit before tax from continuing operation		1,271,387	1,256,243
Loss before tax from discontinued operation		563	10,464
Net profit before tax		1,271,950	1,266,707
<i>Adjustments for:</i>			
Finance cost		626,852	777,035
Unwinding of deferred finance cost		12,427	18,450
Finance income	34	(111,468)	(171,499)
Net fair value gain on investment properties	12	(646,185)	(825,643)
Depreciation	13	32,750	34,011
Amortisation of right-of-use assets	14	790	4,061
Share of results of associates	15	(1,109)	(32)
Provision for end of service benefit	20	24,593	16,452
Net impairment losses	32	41,064	17,462
Impairment of non-current assets held for sale	43.2 (d)	-	9,452
Gain from disposal of a subsidiary	43.2 (d)	-	(67)
Gain from sale of non-current asset held for sale		(21,298)	(4,899)
Loss on financial assets at fair value through profit or loss	5	(12,036)	1,792
Other income		(104,670)	(46,117)
Operating gain before working capital changes		1,113,660	1,097,165
<i>Changes in working capital:</i>			
Change in receivables and prepayments		140,010	2,912,010
Change in inventories		(219)	(627)
Change in trading properties		(56,876)	53,421
Change in amounts due from / due to related parties		(191,236)	(54,359)
Change in Assets classified as held for sale		(4,732)	-
Change in Liabilities related to assets classified as held for sale		(882)	-
Change in provisions		(111,915)	(38,496)
Change in payables and accruals		(105,837)	(208,263)
Cash flows from operations		781,973	3,760,851
End of service benefit paid		(16,109)	(11,201)
Income tax paid		(8,886)	(15,199)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		756,978	3,734,451
INVESTING ACTIVITIES			
Finance income received		122,207	135,140
Dividends received from an associate		-	15,927
Payments for investment properties		(137,742)	(161,612)
Proceeds from non-current assets held for sale		70,667	48,000
Net payments for financial assets at fair value through other comprehensive income		(575,274)	(149,366)
Net advances paid for purchase of projects and investments		(22,516)	(82,473)
Payments for purchase of property, plant and equipment		(9,697)	(11,851)
Proceeds from sale of property, plant and equipment		578	300
Dividend income received		35,509	7,466
Net receipts from financial assets at fair value through profit or loss		174	39,014
Net proceeds from sale of a subsidiary		-	72,499
Proceeds from liquidation of an associate	15	-	1,599
Net movement in short term deposits maturing after three months		817,808	(2,047,625)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		301,714	(2,132,982)

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 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2025 QR'000	2024 QR'000
FINANCING ACTIVITIES			
Finance cost paid		(498,751)	(603,761)
Proceeds from obligations under Islamic finance contracts	22	-	806,725
Payments for obligations under Islamic finance contracts	22	(199,267)	(1,541,264)
Dividend paid to non-controlling interest		411	-
Dividends paid		(516,698)	(586,730)
Payment of lease liabilities	21	(13,360)	(19,814)
Change in restricted bank balances		8,115	14,008
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(1,219,550)	(1,930,836)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference		19,851	6,989
Cash and cash equivalents at 1 January		557,534	879,912
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	416,527	557,534

Note:

- (i) Depreciation for the year ended 31 December 2025 includes an amount of QR 22,283 thousand charged to rental & consulting operation and other services expenses (Note 29) in the consolidated statement of profit or loss (2024 - QR 20,905 thousand).



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 2025

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, Barwa Al Sadd Towers, Tower No.1, Suhaim Bin Hamad Street, Zone 38, Street 231, Building No. 83, 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 consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No. 11 of 2015, whose provisions were subsequently amended by Law No. 8 of 2021.

2 SIGNIFICANT EVENTS 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 Group signed two refinancing agreements for its Obligations under Islamic Finance contracts with Qatar National Bank, amounting to USD 557 Million. The new financing term have been extended until June 2031. The refinancing aligns with the Group's strategy aimed at strengthening its financial position and maximizing the benefits of its cash flow.
- During the year the Group sold a plot of land located in Al Wakra for a total sales value of QR 114.7 Million. An amount of QR 64.7 Million has been collected during the year. Subsequent to the year-end, the remaining sales proceeds of QR 50 Million have been collected in full during the month of January 2026.



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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

Details of the operating segments are presented as follows:

<i>For the year ended 31 December 2025</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>
Revenues and gains					
External parties					
-Sale of property and construction services	-	8,637	-	-	8,637
- Rental income	1,482,393	-	-	-	1,482,393
- Income from consultancy and other related services	-	250,004	117,120	-	367,124
- Net fair value gain on investment properties	646,185	-	-	-	646,185
- Gain from sale of non-current asset held for sale	21,298	-	-	-	21,298
- Gain on revaluation of Financial assets at FV through profit or loss	12,036	-	-	-	12,036
- Others	48,221	-	56,449	-	104,670
Internal segments	76,163	157,409	150	(233,722)	-
Total revenues and gains	<u>2,286,296</u>	<u>416,050</u>	<u>173,719</u>	<u>(233,722)</u>	<u>2,642,343</u>
Segment profit	<u>1,727,322</u>	<u>47,488</u>	<u>80,578</u>	<u>(14,270)</u>	<u>1,841,118</u>
-Share of results of associates	-	-	1,109	-	1,109
-Net finance cost	(546,731)	1,266	17,654	-	(527,811)
-Net Impairment loss	(8,141)	(21,338)	(11,585)	-	(41,064)
-Depreciation and amortisation	(16,132)	(3,646)	(13,762)	-	(33,540)
Profit/ (loss) for the year from continuing operation	<u>1,156,318</u>	<u>23,770</u>	<u>73,994</u>	<u>(14,270)</u>	<u>1,239,812</u>



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3 SEGMENT INFORMATION (CONTINUED)

Operating segments (continued)

<i>For the year ended 31 December 2024</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>
Revenues and gains					
External parties					
- Sale of property and construction services	69,329	21,895	-	-	91,224
- Rental income	1,441,207	-	-	-	1,441,207
- Income from consultancy and other related services	-	257,029	125,023	-	382,052
- Net fair value gain on investment properties	825,643	-	-	-	825,643
- Gain from disposal of subsidiary	67	-	-	-	67
- Gain from sale of non-current asset held for sale	4,899	-	-	-	4,899
- Others	-	-	46,117	-	46,117
Internal segments	58,305	138,310	-	(196,615)	-
Total revenues and gains	<u>2,399,450</u>	<u>417,234</u>	<u>171,140</u>	<u>(196,615)</u>	<u>2,791,209</u>
Segment profit	<u>1,795,147</u>	<u>44,922</u>	<u>91,968</u>	<u>4,837</u>	<u>1,936,874</u>
-Share of results of associates	-	-	32	-	32
-Net finance cost	(636,887)	12,301	600	-	(623,986)
-Net Impairment reversal / (loss)	60,201	(61,713)	(15,950)	-	(17,462)
-Depreciation and amortisation	(9,657)	(7,535)	(20,880)	-	(38,072)
Profit/ (loss) for the year from continuing operation	<u>1,208,804</u>	<u>(12,025)</u>	<u>55,770</u>	<u>4,837</u>	<u>1,257,386</u>

Notes:

- (i) Inter-segment revenues are eliminated at consolidation level.
(ii) Rental income include income from ancillary and other related services of QR 66,183 thousand (2024: QR 47,110 thousand)



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3 SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2025 and 2024:

<i>At 31 December 2025</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	3,715,371	325,307	99,639	-	4,140,317
Non-current assets	32,743,844	1,657,204	151,221	(1,228,300)	33,323,969
Total assets	<u>36,459,215</u>	<u>1,982,511</u>	<u>250,860</u>	<u>(1,228,300)</u>	<u>37,464,286</u>
Current liabilities	(2,166,666)	(202,749)	(40,720)	-	(2,410,135)
Non-current liabilities	(13,046,707)	(860,803)	(160,210)	2,042,854	(12,024,866)
Total liabilities	<u>(15,213,373)</u>	<u>(1,063,552)</u>	<u>(200,930)</u>	<u>2,042,854</u>	<u>(14,435,001)</u>
Investment in associates	-	-	3,985	-	3,985
Capital expenditures (i)	<u>258,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,195</u>
<i>At 31 December 2024</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	3,952,949	362,549	64,174	-	4,379,672
Non-current assets	31,514,341	1,681,166	151,301	(559,531)	32,787,277
Total assets	<u>35,467,290</u>	<u>2,043,715</u>	<u>215,475</u>	<u>(559,531)</u>	<u>37,166,949</u>
Current liabilities	(3,137,084)	(290,179)	(19,999)	-	(3,447,262)
Non-current liabilities	(11,793,477)	(843,115)	(133,124)	1,535,306	(11,234,410)
Total liabilities	<u>(14,930,561)</u>	<u>(1,133,294)</u>	<u>(153,123)</u>	<u>1,535,306</u>	<u>(14,681,672)</u>
Investment in associates	-	-	8,080	-	8,080
Capital expenditures (i)	<u>194,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,842</u>

Note:

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



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3 SEGMENT INFORMATION (COUNTINUED)

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</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
State of Qatar	2,618,812	2,697,339	33,041,812	32,091,337
Other GCC countries	13,478	16,166	187,753	548,800
Europe & North Africa	10,053	77,704	94,404	147,140
	2,642,343	2,791,209	33,323,969	32,787,277

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>2025</i>	<i>2024</i>
	<i>QR'000</i>	<i>QR'000</i>
Cash on hand	4,835	512
Short-term deposits (ii)	1,337,837	2,151,960
Current accounts	233,751	342,006
Call accounts	112,372	153,362
Restricted bank balances (iii)	76,700	84,916
Margin bank accounts	4,099	3,998
	1,769,594	2,736,754
Allowance for expected credit loss (Note 32)	(1,769)	(2,727)
Total cash and bank balances	1,767,825	2,734,027
Short-term deposits maturing after 3 months	(1,280,352)	(2,098,160)
Restricted bank balances and margin accounts	(80,799)	(88,914)
Allowance for expected credit loss	1,769	2,727
Cash and cash equivalents for continuing operation	408,443	549,680
Bank balances included in Assets held for sale (Note 9)	8,084	7,854
Cash and cash equivalents	416,527	557,534

Notes:

- Cash and cash equivalents includes fixed deposits with maturity dates from one to three months amounting to QR 57,485 thousand (2024: QR 53,800 thousand).
- 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.
- Restricted bank balances are restricted mainly to cover certain bank guarantees issued by the Group and the dividends yet unclaimed by the Parent's shareholders.



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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 allowance for expected credit loss on balances with banks at the end of the reporting period at an amount equal to 12 month expected credit loss (ECL), taking into account the historical default experience and the current credit ratings of the bank. None of the balances with banks at the end of the reporting period are past due.

Accounting Policy:

Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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

	2025 QR'000	2024 QR'000
<i>Investments in equity securities:</i>		
Quoted	<u>130,750</u>	<u>118,824</u>
	2025 QR'000	2024 QR'000
At 1 January	118,824	159,473
Acquired during the year	-	23,360
Disposals	(110)	(62,217)
Fair value gain/(loss)	<u>12,036</u>	<u>(1,792)</u>
At 31 December	<u>130,750</u>	<u>118,824</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 as other income in the consolidated statement of profit or loss 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.



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6 RECEIVABLES AND PREPAYMENTS

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

2025	Non-current QR'000	Current QR'000	Total QR'000
Trade receivables (i)	769,573	433,096	1,202,669
Prepaid expenses	-	9,752	9,752
Accrued income	-	89,608	89,608
Refundable deposits	20,539	-	20,539
Staff receivables	-	16,777	16,777
Accrued profit on Islamic financial deposits	-	27,911	27,911
Other receivables	-	60,942	60,942
Allowance for expected credit loss of trade receivables	(76,020)	(250,431)	(326,451)
Allowance for expected credit loss of other receivables	-	(52,896)	(52,896)
	714,092	334,759	1,048,851

2024	Non-current QR'000	Current QR'000	Total QR'000
Trade receivables (i)	775,102	673,556	1,448,658
Prepaid expenses	-	14,712	14,712
Accrued income	1,924	80,031	81,955
Refundable deposits	20,957	-	20,957
Staff receivables	-	18,012	18,012
Accrued profit on Islamic financial deposits	-	38,649	38,649
Other receivables	-	69,801	69,801
Allowance for expected credit loss of trade receivables	(60,359)	(436,594)	(496,953)
Allowance for expected credit loss of other receivables	-	(48,411)	(48,411)
	737,624	409,756	1,147,380

- (i) Trade receivable amounting to QR 769,573 thousand (2024: QR 775,102 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(i).

At 31 December 2025, allowance for expected credit loss on trade receivables amounting to QR 326,451 thousand (2024: QR 496,953 thousand) were impaired and fully provided for. Movements in the allowance for expected credit loss of trade receivables is as follows:

	2025 QR'000	2024 QR'000
At 1 January	496,953	524,145
Allowance charge for the year (Note 32)	53,167	325,233
Reversal of provision (Note 32)	(34,979)	(348,053)
Written off	(188,690)	(4,137)
Other adjustments	-	(235)
At 31 December	326,451	496,953



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6 RECEIVABLES AND PREPAYMENTS (CONTINUED)

The allowance for expected credit loss of trade receivables as at 31 December 2025 and 31 December 2024 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 expected credit loss is based on past due status is not further distinguished between the Group's different customer segments:

31 December 2025						Total
	Not due	Current	31-60 days past due	61-120 days past due	More than 120 days past due	
Expected loss rate	9.88%	0.33%	4.90%	34.70%	84.34%	
Gross carrying amount (QR'000)	769,573	103,427	20,049	24,256	285,364	1,202,669
Allowance for expected credit loss (QR'000)	(76,020)	(345)	(982)	(8,418)	(240,686)	(326,451)
31 December 2024						Total
	Not due	Current	31- 60 days past due	61-90 days past due	More than 120 days past due	
Expected loss rate	7.79%	4.19%	9.53%	14.87%	85.29%	
Gross carrying amount (QR'000)	775,102	88,648	38,117	52,700	494,091	1,448,658
Allowance for expected credit loss (QR'000)	(60,358)	(3,718)	(3,631)	(7,838)	(421,408)	(496,953)

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

	<i>Past due but not impaired</i>						<i>More than 120 days</i>
	<i>Total</i>	<i>Not due</i>	<i>0 – 30 days</i>	<i>31- 60 days</i>	<i>61- 90 days</i>	<i>91- 120 days</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>
2025	876,218	693,553	103,082	19,067	11,836	4,002	44,678
2024	951,705	714,744	84,930	34,486	24,121	20,741	72,683

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

The Group measures the allowance for expected credit loss of trade receivables at an amount equal to lifetime ECL. The allowance for 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.



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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 provided 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.

7 TRADING PROPERTIES

	2025 QR'000	2024 QR'000
Properties available for sale (A)	81,921	26,080
Properties under development (B)	574,174	520,358
	<u>656,095</u>	<u>546,438</u>

(A) Movements of properties available for sale during the year were as follows:

	2025 QR'000	2024 QR'000
At 1 January	26,080	26,080
Additions	55,841	-
At 31 December	<u>81,921</u>	<u>26,080</u>

(B) Movements in the properties under development during the year were as follows:

	2025 QR'000	2024 QR'000
At 1 January	520,358	595,520
Cost of sold property (Note 30)	-	(52,166)
Additions	18,444	-
Transferred from investment properties (Note 12)	35,439	-
Adjustment relating to net realizable value (Note 32)	(67)	(22,213)
Foreign exchange adjustments	-	(783)
At 31 December	<u>574,174</u>	<u>520,358</u>

Notes:

- (i) 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 2025 and 31 December 2024 except for the properties for which a write down to net realizable value has been made.



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7 TRADING PROPERTIES (CONTINUED)

- (ii) Description of valuation techniques used by the Company and key inputs to determine net realisable value of the Group's trading properties are as follows:

Type of Properties	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2025	2024
Residential Properties	DCF method	Discount rate	7.80%	Not applicable
Land bank	Direct comparison	Estimated land value per sqm	QR 1,453 – 11,722	QR 1,453-12,271

Sensitivity analysis

At 31 December 2025, if land value per sqm for trading properties (valued using direct comparison approach) had been higher/lower by 1% with all other variables held constant, the calculated net realisable value adjustment on trading properties for the year would have been QR 6,257 thousand lower / higher (2024: QR 6,188 thousand lower / higher).

At 31 December 2025, if discount rate for trading properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated net realizable value on trading properties for the year would have been QR 2,394,532 thousand lower and QR 2,780,806 thousand higher.

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 Properties under development are properties 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.



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7 TRADING PROPERTIES (CONTINUED)

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

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 property 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.



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8 RELATED PARTY DISCLOSURES

Qatari Diar Real Estate Investment Company Q.S.C. ("QD") incorporated in the State of Qatar is the main shareholder of the Company which owns 45% of the Group'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:

	2025	2024
	QR'000	QR'000
Income from consultancy and other services - Main shareholder and its subsidiaries	<u>65,870</u>	<u>63,230</u>

Related party balances

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

	<u><i>Due from related parties</i></u>		<u><i>Due to related parties</i></u>	
	2025	2024	2025	2024
	QR'000	QR'000	QR'000	QR'000
Qatari Diar Real Estate Investment Company Q.S.C. and its Associated companies	82,940	68,575	161,314	137,091
Associate companies	-	-	-	2,480
Other related parties	1,670	259	7,080	9,838
	<u>84,610</u>	<u>68,834</u>	<u>168,394</u>	<u>149,409</u>

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

	<u><i>Due from related parties</i></u>		<u><i>Due to related parties</i></u>	
	2025	2024	2025	2024
	QR'000	QR'000	QR'000	QR'000
Non-current	-	-	-	579
Current	84,610	68,834	168,394	148,830
	<u>84,610</u>	<u>68,834</u>	<u>168,394</u>	<u>149,409</u>



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8 RELATED PARTY DISCLOSURES (CONTINUED)

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

	2025 QR'000	2024 QR'000
At 1 January	70,426	70,184
Allowance charge for the year (Note 32)	7,925	638
Reversal of provision (Note 32)	-	(396)
At 31 December	<u>78,351</u>	<u>70,426</u>

For the years ended 31 December 2025 and 2024, the Group carried out an expected credit loss testing for due from related parties. The Group recognised an additional allowance for expected credit loss of QR 7,925 thousand during the year (2024: net reversal of expected credit loss of QR 242 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:

	2025 QR'000	2024 QR'000
Short term benefits (i)	35,714	34,362
End of service benefits	1,182	1,082
	<u>36,896</u>	<u>35,444</u>

Note:

- (i) Short term benefits include a proposed board of directors' remuneration amounting to QR 12,000 thousand for the year 2025 subject to the approval of the Group's Annual General Assembly (2024: QR 12,000 thousand, approved by the shareholders of the Group at the Annual General Meeting held on 10 March 2025).

Terms and conditions of transactions with related parties

Transactions with related parties were carried out at normal market prices and are approved by management. Outstanding balances for the year ended 31 December 2025 and 2024 are unsecured, interest free and the settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payable balances.

9 ASSET HELD FOR SALE

	2025 QR'000	2024 QR'000
Non-current assets held for sale - Investment properties (i)	-	-
Assets relating to discontinued operations (ii)	78,705	73,743
	<u>78,705</u>	<u>73,743</u>

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9 ASSET HELD FOR SALE (CONTINUED)

(i) Movement in non-current assets held for sale is illustrated as follows:

	2025	2024
	QR'000	QR'000
At 1 January	-	132,280
Transferred from investment properties (Note 12)	152,217	43,101
Impairment loss during the year (Note 43.2d)	-	(9,452)
Investment property disposed during the year (a) / (b)	(152,217)	(43,101)
Relating to disposal of a subsidiary (Note 43.2d)	-	(120,986)
Foreign exchange adjustment	-	(1,842)
At 31 December	-	-

- a) On 8 April 2025, the Group entered into a definitive sale and purchase agreement with a prospective buyer for one of its investment properties located in the State of Qatar. As a result, the property was reclassified as a non-current asset held for sale and subsequent to the reclassification, the property was sold in December 2025 for a sales price of QR 116,667 thousand of which QR 64,667 thousand were collected in 2025, resulting in the recognition of a gain of QR 21,298 thousand during 2025. Subsequently, the remaining sales proceeds of QR 50,000 thousand have been collected in January 2026.
- b) On 11 June 2024, the Group entered into a definitive sale and purchase agreement with a prospective buyer for one of its investment properties located in the State of Qatar. As a result, the property was reclassified as a non-current asset held for sale and subsequent to the reclassification, the property was sold in July 2024 for a sales price of QR 48,000 thousand, which was collected in full on 8 July 2024, resulting in the recognition of a gain of QR 4,899 thousand during 2024.

(ii) Discontinued operations:

The details of the Assets related to discontinued operations are presented below:

	31 December	31 December
	2025	2024
	(Audited)	(Audited)
	QR'000	QR'000
Investment property	63,996	59,609
Trade & other receivables	6,625	6,280
Cash and bank balance	8,084	7,854
Asset held for sale	78,705	73,743

The details of the Liabilities directly associated with discontinued operations are presented below:

Payables and other liabilities	(609)	(1,491)
Liabilities directly associated with the assets held for sale	(609)	(1,491)
Net assets held for sale	78,096	72,252



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9 ASSET HELD FOR SALE (CONTINUED)

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:

	2025 QR'000	2024 QR'000
Investments in equity securities :		
Quoted	11,367	26,563
Unquoted	804,715	212,874
	<u>816,082</u>	<u>239,437</u>

Accounting Policies:

The policy applicable to the year ended 31 December 2025 is disclosed in Note 47.

Fair value of unquoted equity

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

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

	2025 QR'000	2024 QR'000
At 1 January	212,874	33,137
Addition during the year	591,776	198,387
Reduction of shares	-	(3,047)
Fair value gain/(loss)	65	(15,603)
At 31 December	<u>804,715</u>	<u>212,874</u>



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

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

11 ADVANCES FOR PROJECTS AND INVESTMENTS

	2025 QR'000	2024 QR'000
Advances for purchase of properties	28,663	28,363
Advances against exchange of land (i)	1,836,459	1,836,459
Advances to contractors and suppliers	375,898	358,621
	<u>2,241,020</u>	<u>2,223,443</u>
Less: allowance for impairment of advances	<u>(1,954,305)</u>	<u>(1,954,305)</u>
	<u>286,715</u>	<u>269,138</u>

As at 31 December 2025, advances amounting to QR 1,954,305 thousand (2024: QR 1,954,305 thousand) were impaired and fully provided for.

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 recognised 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.



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12 INVESTMENT PROPERTIES

	2025	2024
	QR'000	QR'000
At 1 January	31,347,223	30,464,441
Additions during the year	154,330	165,513
Capitalised finance cost (Note 34)	20,553	17,478
Transferred to non-current assets held for sale (Note 9)	(152,217)	(43,101)
Transferred to trading properties – property under development (Note 7)	(35,439)	-
Transferred to assets held for sale relating to discontinued operations (Note 9)	-	(72,080)
Right-of-use assets - lease adjustments/ modification	18,832	(5,643)
Net fair value gain from continued operations	646,185	825,643
Foreign exchange adjustment	10,907	(5,028)
At 31 December	32,010,374	31,347,223

Notes:

- (i) Investment properties are primarily located in the State of Qatar, representing 99.12% of the carrying value of investment properties as at 31 December 2025 (2024: 98.94%) with few properties located in Kingdom of Bahrain, Republic of Cyprus and the Kingdom of Saudi Arabia.
- (ii) Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers as at 31 December 2025 and 2024. 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) Transfer of title deeds for certain properties included in investment properties with a fair value of QR 1,298,803 thousand at 31 December 2025 (31 December 2024: QR 2,097,656 thousand) are in progress. The consolidated financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the Group.



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12 INVESTMENT PROPERTIES (CONTINUED)

(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)	
			2025	2024
Commercial Properties	DCF method	Estimated rental value per sqm per month	QR 20 – 269	QR 20-269
		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% - 7.80%	6.75% - 7.90%
		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	6.45% - 8.03%	6.55% - 8.13%
		Market cap	6.25%	6.25%
Land Bank	Direct comparison	Estimated land value per sqm	QR 851 – QR 10,213	QR 902– QR 10,577

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.



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12 INVESTMENT PROPERTIES (CONTINUED)

- (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 15 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:

	2025	2024
	QR'000	QR'000
Within 1 year	1,279,565	1,257,849
Between 1 and 5 years	3,358,574	3,349,520
More than 5 years	931,806	799,894
Total	5,569,945	5,407,263

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:

31 December 2025	Fair Value	Level 3
	QR'000	QR'000
Vacant land	1,866,811	1,866,811
Completed properties	28,990,849	28,990,849
Under construction properties	1,152,714	1,152,714
	32,010,374	32,010,374
	Fair Value	Level 3
	QR'000	QR'000
31 December 2024		
Vacant land	2,135,229	2,135,229
Completed properties	28,121,546	28,121,546
Under construction properties	1,090,448	1,090,448
	31,347,223	31,347,223

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

As at 31 December 2025, properties with an aggregate value of QR 19,883,914 thousand (2024: QR 19,007,079 thousand) are held under lease agreements. Future lease payments are presented in Note 21.

For right-of-use assets that are classified as investment properties, the Group expects to make use of the full lease terms which typically vary between 1 and 99 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 recognised in the consolidated statement of financial position, in accordance with IFRS accounting standards.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INVESTMENT PROPERTIES (continued)

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 recognised in the consolidated statement of profit or loss.



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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. 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 2025, 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 2,485,700 thousand lower and QR 2,874,740 thousand higher (2024: QR 2,740,103 thousand lower and QR 3,269,414 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2025, 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 1,665,911 thousand lower and QR 2,300,543 thousand higher (2024: QR 1,102,425 thousand lower and QR 1,522,397 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2025, 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 17,725 thousand lower/higher (higher/lower) (2024: QR 20,480 thousand lower/higher (higher/lower) mainly as a result of higher/lower fair value gain (loss) on investment properties.

At 31 December 2025, 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 296,968 thousand lower/higher (higher/lower) (2024: QR 291,861 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.



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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 2025	113,464	350,272	230,229	121,580	257,636	145,842	1,219,023
Additions	224	-	1,474	2,662	2,363	2,304	9,027
Disposals	-	-	(108)	-	-	-	(108)
Translation adjustment	-	-	2	-	-	2	4
At 31 December 2025	113,688	350,272	231,597	124,242	259,999	148,148	1,227,946
Accumulated depreciation and impairment							
At 1 January 2025	1,563	149,324	228,451	121,191	122,761	128,003	751,293
Charge for the year	-	7,457	163	121	-	2,726	10,467
Charged in operating expenses (Note 29)	-	6,388	974	21	13,762	1,138	22,283
Net impairment charge (Note 32)	224	8,423	(108)	-	-	-	8,539
Translation adjustment	-	-	2	-	-	1	3
At 31 December 2025	1,787	171,592	229,482	121,333	136,523	131,868	792,585
Net Book Value at 31 December 2025	111,901	178,680	2,115	2,909	123,476	16,280	435,361
Cost							
At 1 January 2024	113,240	350,272	229,681	120,988	260,412	141,872	1,216,465
Additions	224	-	560	592	6,280	4,195	11,851
Disposals	-	-	-	-	-	(240)	(240)
Reversal of excess accruals	-	-	(12)	-	(9,056)	(10)	(9,078)
Translation adjustment	-	-	-	-	-	25	25
At 31 December 2024	113,464	350,272	230,229	121,580	257,636	145,842	1,219,023
Accumulated depreciation and impairment							
At 1 January 2024	340	127,365	226,786	120,876	109,225	123,603	708,195
Charge for the year	-	7,457	1,211	315	-	4,123	13,106
Charged in operating expenses (Note 29)	-	6,388	454	-	13,536	527	20,905
Net impairment charge (Note 32)	1,223	8,114	-	-	-	(240)	9,097
Translation adjustment	-	-	-	-	-	(10)	(10)
At 31 December 2024	1,563	149,324	228,451	121,191	122,761	128,003	751,293
Net Book Value at 31 December 2024	111,901	200,948	1,778	389	134,875	17,839	467,730



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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 capitalised 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	7 years
Motor vehicles	5 years
Computers software and hardware	3 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 capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditures are capitalised only when they increase the future economic benefits of the related item of property, plant and equipment. All other expenditures are recognised in the consolidated statement of profit or loss as incurred. An item of property, plant and equipment is derecognised 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 derecognised. 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.



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14 RIGHT-OF-USE ASSETS

The Company leases several buildings. The remaining lease term is 1 - 21 years.

	<u>Buildings</u> QR'000
Cost	
At 1 January 2025	104,473
Additions	-
At 31 December 2025	<u>104,473</u>
Accumulated amortisation	
At 1 January 2025	(100,753)
Charge for the year	(790)
At 31 December 2025	<u>(101,543)</u>
Net Book Value at 31 December 2025	<u>2,930</u>
	<u>Buildings</u> QR'000
Cost	
At 1 January 2024	104,525
Adjustments	(52)
At 31 December 2024	<u>104,473</u>
Accumulated amortisation	
At 1 January 2024	(96,692)
Charge for the year	(4,061)
At 31 December 2024	<u>(100,753)</u>
Net Book Value at 31 December 2024	<u>3,720</u>

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

	2025 QR'000	2024 QR'000
Amortisation of right-of-use assets	<u>790</u>	<u>4,061</u>

At 31 December 2025, the Group is committed to QR 442 thousand (2024: 287 thousand) for short-term leases (note31).

The Group had total cash outflows for leases of QR 228 thousand in 2025 (QR 15,897 thousand in 2024). Apart from the right-of-use assets and lease liabilities accounted for under IAS40, the Group also had no non-cash additions to right-of-use assets and lease liabilities during the Year ended 31 December 2025 and 2024.

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.



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14 RIGHT-OF-USE ASSETS (continued)

Critical accounting judgments and estimates (continued)

- Property lease classification – the Group as lessor

The Group 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:

	<i>Nature of operation</i>	<i>Country of incorporation</i>	<i>Ownership%</i>	
			2025	2024
Smeat Investment Company W.L.L.	Manufacturing	State of Qatar	47.37%	47.37%
Tanween Company W.L.L.	Consultancy services	State of Qatar	40%	40%
Bait Al Mashura Financial Consulting Co.	Consultancy services	State of Qatar	20%	20%
Panceltica Holding Limited	RE Development	United Kingdom	26%	26%

Note:

During 2024, Emdad Equipment Leasing Co. was liquidated and deregistered from the commercial register. Net liquidation proceeds of QR 1,599 thousand were received.

	2025	2024
	QR'000	QR'000
Group's share in equity of associates	204,920	209,015
Less: provision for impairment	(200,935)	(200,935)
	3,985	8,080



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15 INVESTMENTS IN ASSOCIATES (continued)

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

	2025 QR'000	2024 QR'000
At 1 January	8,080	23,119
Dividends from associates	(2,480)	(15,927)
Share of results of associates (i)	1,109	32
Net charge/(reversal) of impairment (Note 32)	(2,818)	856
Share of change in fair value reserve	94	-
At 31 December	<u>3,985</u>	<u>8,080</u>

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

	2025 QR'000	2024 QR'000
Share of results as per consolidated statement of profit or loss	<u>1,109</u>	<u>32</u>
	<u>1,109</u>	<u>32</u>

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

	2025 QR'000	2024 QR'000
Total Group's share of the associates' statement of financial position:		
Current assets	587,055	577,739
Non-current assets	69,421	69,395
Current liabilities	(301,144)	(300,365)
Non-current liabilities	(541,369)	(541,369)
Equity	<u>(186,037)</u>	<u>(194,600)</u>
Losses in excess of book value	<u>219,453</u>	<u>219,453</u>
	33,416	24,853
Group's share in equity	12,717	9,336
Upstream profit	(1,126)	(1,126)
Impairment losses	(7,606)	(130)
Carrying amount of the investments	<u>3,985</u>	<u>8,080</u>



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15 INVESTMENTS IN ASSOCIATES (continued)

	2025	2024
	QR'000	QR'000
Revenue from contracts with customers	229,241	221,675
Administrative expenses	(214,895)	(214,003)
Finance costs	(33,094)	(33,094)
Total comprehensive loss for the year	(18,748)	(25,422)
Share of results	1,109	32

Accounting policy:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.



نبني المستقبل

BUILDING THE FUTURE



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16 GOODWILL

	2025 QR'000	2024 QR'000
At 1 January	126,411	126,411
At 31 December	<u>126,411</u>	<u>126,411</u>

At 31 December 2025, 100% of the Goodwill is allocated to one of the Group's subsidiaries (2024: 100%) as a cash generating unit. The Group performed its annual impairment tests as at 31 December 2025 and 2024. 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 7.8 % (2024: 7.9%). All cash flows beyond the five year period have an assumed growth rate of 0-2% (2024: 0-2%) 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, no impairment allowance has been recognised against goodwill as at 31 December 2025 and 2024.

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 2025. The benchmarks of the CGU were updated to reflect the return variability projected by senior management in the five-year period.

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 2026 to 2030 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 recognised 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 recognised 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 recognised immediately as an expense and is not subsequently reversed.



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17 TAX AND ZAKAT EXPENSES

Income tax and zakat expense are analysed as follows:

	2025 QR'000	2024 QR'000
Pillar Two taxes - Qatar (i)	(19,544)	-
Pillar Two taxes – Outside Qatar (i)	(430)	-
Income tax (ii)	(11,601)	(10,447)
Zakat expense (iii)	-	(696)
	(31,575)	(11,143)

Note (i):

Qatar, the tax jurisdiction of the parent company, has adopted the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting Pillar Two Global Anti-Base Erosion Rules (OECD's BEPS GloBE Rules) with effect from 1 January 2025.

In particular, the Domestic Minimum Top-Up Tax (DMTT) and the Income Inclusion Rule (IIR) mechanisms were introduced into domestic legislation with the aim to ensure that large multinational enterprises like Barwa Group maintain a minimum effective tax rate of 15% calculated on the profits in every jurisdiction that they operate.

The Group has performed an assessment of its potential exposure to Pillar Two Taxes based on the annual Country-by-Country (CbC) Reports and 2025 financial information for the constituent entities in the Group. The Group has considered the Transitional CbC Reporting Safe Harbour (TCSH) relief under the OECD's BEPS GloBE Rules. Based on the analysis, some jurisdictions meet the TCSH and therefore the Pillar Two Tax is deemed to be zero in those jurisdictions. The jurisdictions that do not meet the TCSH are subject to detailed Pillar Two Top-Up Tax calculation based on DMTT rules implemented in the local tax jurisdiction or via the IIR mechanism in Qatar.

The preceding table shows the Pillar Two Taxes accrued by the Group based on the applicable rules under the OECD's BEPS GloBE Rules adopted in relevant tax jurisdictions.

The Group continues to follow Pillar Two Tax legislative developments, as further countries enact the Pillar Two Tax rules into their domestic legislation, to evaluate the potential future impact on its consolidated income statement, financial position and cash flows.

Note (ii):

The income tax represents amounts recognised by subsidiary companies. The components of the income tax expense for the years ended 31 December 2025 and 2024 are:

	2025 QR'000	2024 QR'000
Current income tax		
Current income tax charge	(11,762)	(8,145)
Adjustments in respect of current income tax of previous year	(129)	(3,354)
Deferred income tax		
Relating to origination and reversal of temporary differences	290	1,052
Income tax expense reported in the consolidated statement of profit or loss	(11,601)	(10,447)



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17 TAX AND ZAKAT EXPENSES (continued)

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

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

Reflected in the consolidated statement of financial position as follows:

	2025 QR'000	2024 QR'000
Deferred tax assets	4,896	5,487
Deferred tax liabilities	<u>(6,234)</u>	<u>(6,535)</u>
	<u>(1,338)</u>	<u>(1,048)</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> QR'000
At 1 January 2024	(2,100)
Charge to profit or loss	<u>1,052</u>
At 1 January 2025	(1,048)
Charge to profit or loss	<u>(290)</u>
At 31 December 2025	<u>(1,338)</u>

Note (iii):

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.



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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 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 realised 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 utilised.

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.

Critical accounting judgments and estimates

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective country in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective country of operations.



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18 PAYABLES AND OTHER LIABILITIES

Payables and other liabilities are classified into 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>
2025			
Contractors and suppliers	-	129,092	129,092
Clients advances and unearned income	-	13,887	13,887
Retention payable	11,095	78,306	89,401
Advances received for Sale of Properties	-	30,667	30,667
Contribution to social and sports fund (Note 38)	-	31,079	31,079
Accrued expenses	-	214,651	214,651
Accrued finance cost	-	77,074	77,074
Income tax liability	-	38,996	38,996
Other payables	-	217,941	217,941
	<u>11,095</u>	<u>831,693</u>	<u>842,788</u>
	<i>Non-current</i>	<i>Current</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
2024			
Contractors and suppliers	-	223,516	223,516
Clients advances and unearned income	-	23,368	23,368
Retention payable	15,459	70,509	85,968
Contribution to social and sports fund (Note 38)	-	30,904	30,904
Accrued expenses	-	254,898	254,898
Accrued finance cost	-	75,583	75,583
Income tax liability	-	18,339	18,339
Other payables	-	237,432	237,432
	<u>15,459</u>	<u>934,549</u>	<u>950,008</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.



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19 PROVISIONS

	2025	2024
	QR'000	QR'000
Provision for litigations	1,808	1,808
Provision for claims	1,109	1,109
Provision for excess losses from associates	55,724	167,639
	<u>58,641</u>	<u>170,556</u>
	2025	2024
	QR'000	QR'000
At 1 January	170,556	209,052
Provided during the year	-	1,109
Reversal during the year	-	(9,605)
Utilised during the year	(111,915)	(30,000)
At 31 December	<u>58,641</u>	<u>170,556</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 recognised as net finance costs. Provisions are not recognised 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 recognised 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 recognised as finance cost.

20 END OF SERVICE BENEFITS

	2025	2024
	QR'000	QR'000
At 1 January	139,864	134,613
Provided during the year	24,593	16,452
End of service benefits paid	(16,109)	(11,201)
At 31 December	<u>148,348</u>	<u>139,864</u>



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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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payment is available.

21 LEASE LIABILITIES

	2025	2024
	QR'000	QR'000
At 1 January	203,572	246,393
Modification	20,533	(5,659)
Relating to disposal of a subsidiary (Note 43.2d)	-	(28,298)
Unwinding of deferred finance cost for continuing operation (Note 34)	10,172	10,653
Unwinding of deferred finance cost for discontinued operations (Note 43.2d)	-	596
Payments	(13,360)	(19,814)
Translation adjustment	-	(299)
At 31 December	<u>220,917</u>	<u>203,572</u>
<i>Lease liabilities are further analysed as follows:</i>		
Current	20,504	15,805
Non-current	200,413	187,767
	<u>220,917</u>	<u>203,572</u>
	2025	2024
	QR'000	QR'000
<i>Maturity analysis:</i>		
Year 1	32,290	25,738
Year 2	14,704	13,823
Year 3	13,070	13,823
Year 4	12,909	13,101
Year 5	12,810	12,725
Later than 5 years	605,300	406,177
	691,083	485,387
Deferred finance cost	(470,166)	(281,815)
	<u>220,917</u>	<u>203,572</u>

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.

Accounting Policies:

The policy applicable to the year ended 31 December 2025 is disclosed in Note 47.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
22 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

	2025 QR'000	2024 QR'000
At 1 January	13,060,237	13,615,406
Additional facilities obtained	-	806,725
Accrued finance cost	132,001	167,423
Repayments	(199,267)	(1,541,264)
Deferred finance charges	(3,901)	11,947
	<u>12,989,070</u>	<u>13,060,237</u>
	2025 QR'000	2024 QR'000
Un-secured facilities	11,096,627	11,092,448
Secured facilities (*)	1,954,286	2,025,731
Deferred finance charges	(61,843)	(57,942)
	<u>12,989,070</u>	<u>13,060,237</u>
The above balance is analysed as follows:		
Non-current portion	11,658,777	10,884,207
Current portion	1,330,293	2,176,030
	<u>12,989,070</u>	<u>13,060,237</u>

As of 31 December 2025, 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 1,954 million as at 31 December 2025 (2024: QR 2,026 million).

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

Currency	Original currency	Maturity	Profit	Profit rate	2025 QR'000	2024 QR'000
USD	US 896 million	2027-2031	Floating	SOFR + margin	3,270,714	3,185,688
KWD	KWD 77 million	2026- 2027	Fixed	Fixed	912,471	912,471
QAR	QR 8,868 million	2030-2043	Floating	QMRL +/-margin	8,867,728	9,020,020
					<u>13,050,913</u>	<u>13,118,179</u>



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22 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS (continued)

Certain secured and unsecured bank facilities are subject to financial covenants, including the finance cost leverage ratio and debt-to-equity (D/E) ratio. These covenants are assessed biannually, on June 30 and December 31, to ensure compliance. The Group has no indications of potential difficulties in meeting these covenant requirements.

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 recognised initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, those obligations are measured at amortised cost using the effective profit rate method.

Gains or losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the amortisation process. Finance cost and other related charges are recognised 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 consolidated statement of profit or loss as the modification gain or loss within other gains and losses.

Derecognition

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



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23 SHARE CAPITAL

	2025	2024
	No of shares (Thousands)	No of shares (Thousands)
<i>Authorised shares:</i>		
Ordinary shares of QR 1 each (i)	3,891,246	3,891,246
	No of shares (Thousands)	QR'000
<i>Ordinary shares issued and fully paid up:</i>		
At 1 January 2024	3,891,246	3,891,246
At 31 December 2024	3,891,246	3,891,246
At 31 December 2025	3,891,246	3,891,246

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

Accounting policies:

Ordinary shares

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

24 LEGAL RESERVE

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

25 GENERAL RESERVE

In accordance with the parent's articles of association, the premium on issue of share capital is added to general reserve. In addition, residual annual profits, after the required transfer to legal reserve (Note 24), can be appropriated and transferred to general reserve based on the general assembly meeting's approval. No such transfer was made during the year ended 31 December 2025 and 2024.

	2025	2024
	QR'000	QR'000
At 1 January	4,639,231	4,639,231
At 31 December	4,639,231	4,639,231



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26 OTHER RESERVES

	<i>2025</i> <i>QR'000</i>	<i>2024</i> <i>QR'000</i>
Fair value reserve (i)	(131,511)	(141,168)
Translation reserve	(166,088)	(196,473)
Other reserve	1,034	1,034
	<u>(296,565)</u>	<u>(336,607)</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>2025</i> <i>QR'000</i>	<i>2024</i> <i>QR'000</i>
At 1 January	(141,168)	(157,633)
Movement during the year	9,657	16,465
At 31 December	<u>(131,511)</u>	<u>(141,168)</u>

27 RENTAL OPERATION EXPENSES

	<i>2025</i> <i>QR'000</i>	<i>2024</i> <i>QR'000</i>
Facility management expense	76,703	66,135
Maintenance and utilities expense	72,132	75,881
Staff costs	146,790	147,967
Other expenses	10,723	3,829
	<u>306,348</u>	<u>293,812</u>



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28 RENTAL INCOME AND INCOME FROM CONSULTANCY AND OTHER SERVICES

28.1 RENTAL INCOME

	2025 QR'000	2024 QR'000
Gross rental income	1,488,868	1,441,418
Tenant incentives "net"	(6,475)	211
Net rental income	1,482,393	1,441,207

Rental income include income from ancillary and other related services of QR 66,183 thousand (2024: QR 47,110 thousand).

Accounting policies:

Rental income

Rental income receivable from operating leases, less the Group's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised 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 recognised 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 recognised in the period in which the services are rendered.

28.2 INCOME FROM CONSULTANCY AND OTHER SERVICES

	2025 QR'000	2024 QR'000
Income from consultancy services	36,772	24,715
Secondment income	32,134	38,412
	68,906	63,127
Revenue from cooling services	73,682	82,311
Revenue from facility management income	181,617	193,902
Revenue from hotel operations	42,919	42,712
	367,124	382,052



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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 analysed as follows :

	2025 QR'000	2024 QR'000
<i>Point-in time</i>	3,278	20
<i>Over the period of time</i>		
Consultancy revenue	65,628	63,107
Revenue from cooling services	73,682	82,311
Revenue from facility management income	181,617	193,902
Revenue from hotel operations	42,919	42,712
	<u>367,124</u>	<u>382,052</u>

(ii) Income from consultancy and other services by customer is as follows:

External parties	324,600	341,834
Related parties	42,524	40,218
	<u>367,124</u>	<u>382,052</u>

(iii) Geographic markets of Income from consultancy and other services are analysed below.

State of Qatar	353,643	368,660
Other countries	13,481	13,392
	<u>367,124</u>	<u>382,052</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 recognised 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 recognised 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.



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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 CONSULTANCY AND OTHER SERVICES EXPENSES

	2025	2024
	QR'000	QR'000
Facility management expense	89,805	99,293
Staff costs	54,684	60,445
Maintenance and utilities expense	47,047	55,526
Hotel operation costs	31,958	31,360
Depreciation (Note 13)	22,283	20,905
Other expenses	14,109	14,115
	259,886	281,644

30 PROFIT ON SALE OF PROPERTY AND CONSTRUCTION SERVICES

	2025	2024
	QR'000	QR'000
Revenue from construction services (i)	8,637	21,895
Sale of properties	-	69,329
	8,637	91,224
Cost of construction services (i)	(7,888)	(25,125)
Cost of sale of properties (Note 7.(B))	-	(52,166)
	(7,888)	(77,291)
	749	13,933

Note:

- (i) During 2020, one of the Group's subsidiaries and the Public Works Authority "Ashghal", signed a Public-Private Partnership agreement. As per the agreement, the Group developed 8 public schools in 2022 and will be providing maintenance support over a period of 25 years from the date of handover under the (Qatar Schools PPP Development Program – Package 1). Receivables and Prepayments (Note 6) include trade receivable amounting to QR 774,239 thousand as at 31 December 2025 (2024: QR 775,102 thousand) relating to this arrangement.



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31 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 QR'000	2024 QR'000
Staff costs	144,328	144,095
Professional fee expenses	29,707	25,246
Board of Directors remuneration and others (i)	14,060	14,240
Advertising and promotion expenses	11,144	5,966
Repair and maintenance expense	10,319	9,237
Utilities expenses	4,050	4,020
Government fees	2,289	2,375
Other expenses	1,349	3,317
Short-term rent expenses	442	287
Travel expenses	123	101
Social contributions	-	675
	<u>217,811</u>	<u>209,559</u>

Note:

- (i) The Directors' remuneration and others includes a proposed amount of QR 12,000 thousand subject to the approval of the Group's Annual General Assembly (2024: QR 12,000 thousand, approved by the shareholders of the Group at the Annual General Meeting held on 10 March 2025).

32 NET IMPAIRMENT LOSS

	2025 QR'000	2024 QR'000
Impairment losses :		
Bank balances (Note 4)	-	(2,152)
Trade receivables (Note 6)	(53,167)	(325,233)
Other receivables	(11,753)	(7,751)
Trading properties (Note 7)	(67)	(22,213)
Due from related parties (Note 8)	(7,925)	(638)
Property, plant and equipment (Note 13)	(8,647)	(9,337)
Investment in associates (Note 15)	(2,818)	(1,150)
Reversal of impairment:		
Bank balances (Note 4)	958	317
Trade receivables (Note 6)	34,979	348,053
Other receivables	7,268	-
Due from related parties (Note 8)	-	396
Property, plant and equipment (Note 13)	108	240
Investment in associates (Note 15)	-	2,006
Net impairment loss	<u>(41,064)</u>	<u>(17,462)</u>



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33 OTHER INCOME

	2025 QR'000	2024 QR'000
Income from reversal of provisions for litigations & others	59,068	29,791
Dividend income	35,509	10,056
Net proceeds from liquidation of an associate (Note 15)	-	1,599
Others	10,093	4,672
	<u>104,670</u>	<u>46,118</u>

Accounting policy:

Dividend income

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

34 NET FINANCE COST

	2025 QR'000	2024 QR'000
Finance cost		
Finance cost on Islamic finance contracts	(642,247)	(792,534)
Less: capitalized finance cost (Note 12)	20,553	17,478
	<u>(621,694)</u>	<u>(775,056)</u>
Unwinding of deferred finance cost	(2,255)	(7,797)
Finance cost - lease liabilities (Note 21)	(10,172)	(10,653)
Net foreign exchange loss	(5,158)	(1,979)
Finance cost for the year	<u>(639,279)</u>	<u>(795,485)</u>
Finance income		
Income from Murabaha and Islamic deposits	79,429	120,100
Others	32,039	51,399
Finance income for the year	<u>111,468</u>	<u>171,499</u>
Net finance cost for the year	<u>(527,811)</u>	<u>(623,986)</u>

Accounting policy:

Finance income

Finance income from banks' deposits is recognised 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.



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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:

	2025	2024
Profit attributable to ordinary equity holders of the Parent: (in QR'000)		
Continuing operations	1,242,599	1,252,322
Discontinued operations	563	(16,173)
	<u>1,243,162</u>	<u>1,236,149</u>
Ordinary shares issued and fully paid (thousand shares)	<u>3,891,246</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>0.3195</u>	<u>0.3177</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.



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36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2025 QR'000	2024 QR'000
Translation reserves	30,566	(125)
Fair value reserves	1,372	(7,834)
Other reserves	-	1,034
	<u>31,938</u>	<u>(6,925)</u>

37 DIVIDENDS

Dividends paid and proposed

	2025 QR'000	2024 QR'000
<i>Declared and accrued during the year:</i>		
Final dividend for the year 2024, 18% of nominal value per share (2024: final dividend for the year 2023, 18 % of nominal value per share)	<u>700,424</u>	<u>700,424</u>

The shareholders of the Parent Company approved at the Annual General Meeting held on 10 March 2025 a cash dividend of QR 0.18 per share, amounting to QR 700,424 thousand from the profit of 2024 (2024: cash dividend of QR 0.18 per share; amounting to QR 700,424 thousand from the profit of 2023).

The proposed dividend for 2025 of 18% of nominal value per share will be submitted for formal approval at the Group's Annual General Assembly Meeting.

Accounting policy:

The Group 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 Group. As per the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021, 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 31,079 thousand (2024: QR 30,904 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.

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.



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39 CASH FLOW INFORMATION

<i>Net debt analysis :</i>	2025	2024
	QR'000	QR'000
Bank balances	1,764,759	2,736,242
Borrowing – repayable within one year	(1,330,293)	(2,176,030)
Borrowing – repayable after one year	(11,658,777)	(10,884,207)
Net debt	<u>(11,224,311)</u>	<u>(10,323,995)</u>
Bank balances	1,764,759	2,736,242
Borrowings	(12,989,070)	(13,060,237)
Net debt	<u>(11,224,311)</u>	<u>(10,323,995)</u>

40 CONTINGENT LIABILITIES

The group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	2025	2024
	QR'000	QR'000
Bank guarantees	<u>153,953</u>	<u>141,633</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.

41 COMMITMENTS

	2025	2024
	QR'000	QR'000
Contractual commitments with contractors and suppliers for properties under development	<u>142,748</u>	<u>306,984</u>



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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 statement of financial position:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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)	1,764,759	2,736,242	1,764,759	2,736,242
Receivables	1,039,099	1,138,845	1,039,099	1,138,845
Due from related parties	84,610	68,834	84,610	68,834
<i>At fair value</i>				
Financial assets at fair value through other comprehensive income	816,082	239,437	816,082	239,437
Financial assets at fair value through profit or loss	130,750	118,824	130,750	118,824
Financial liabilities				
<i>At amortized cost</i>				
Payables and other liabilities	(828,901)	(926,640)	(828,901)	(926,640)
Due to related parties	(168,394)	(149,409)	(168,394)	(149,409)
Obligations under Islamic finance contracts	(12,989,070)	(13,060,237)	(12,989,070)	(13,060,237)
Lease liabilities	(220,917)	(203,572)	(220,917)	(203,572)

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, except for a finance income bearing amount receivable of QR 693,553 thousand (2024 – QR 714,743 thousand) which is long-term in nature and expected to mature over the next 21 years.
- The fair value of the quoted financial assets at fair value through other comprehensive income and profit or loss 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.



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42 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2025 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 2025	32,010,374	-	-	32,010,374
<i>financial assets at fair value through other comprehensive income (Note 10):</i>					
Quoted equity shares	31 Dec 2025	11,367	11,367	-	-
Unquoted equity shares	31 Dec 2025	804,715	-	-	804,715
<i>Financial assets at fair value through profit or loss (Note 5):</i>					
Quoted equity shares	31 Dec 2025	130,750	130,750	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2024 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 2024	31,347,223	-	-	31,347,223
<i>financial assets at fair value through other comprehensive income (Note 10):</i>					
Quoted equity shares	31 Dec 2024	26,563	26,563	-	-
Unquoted equity shares	31 Dec 2024	212,874	-	-	212,874
<i>Financial assets at fair value through profit or loss (Note 5):</i>					
Quoted equity shares	31 Dec 2024	118,824	118,824	-	-

There have been no transfers between Level 1 and Level 2 during 2025 and 2024, and no transfers into and out of Level 3 fair value measurements during 2025 and 2024.



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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 IFRS Accounting Standards 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 Accounting Standards 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.



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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.



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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.

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Group effective shareholding percentage</i>	
		<i>31 December 2025</i>	<i>31 December 2024</i>
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 & Mesaimer 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%
Madinat Al Mawater Company W.L.L.	Qatar	100%	100%
Barwa District Cooling Company W.L.L.	Qatar	100%	100%
Dar Al Oloum 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%
Barwa Al Doha W.L.L.	Qatar	100%	100%
Barwa Salwa W.L.L.	Qatar	100%	100%

All the above-mentioned companies' are active in real estate development except for Al Waseef Asset Management Co. and Dar El Oloum which is mainly active in property and facility management, Qatar Project Management Co. is mainly active in project management, whereas Barwa Cooling is mainly active in cooling services.



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43 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

43.2 Basis of consolidation (continued)

(d) Discontinued operations

	2025	2024
	QR'000	QR'000
Rental income	1,666	10,595
Rental operation expenses	-	(181)
Net rental income	1,666	10,414
Net fair value loss on investment properties	-	(12,471)
General and administrative expenses	(366)	(2,917)
Impairment expense (Note 9)	-	(9,452)
Other income	354	914
Profit/(loss) before finance cost and taxation	1,654	(13,512)
Finance cost (Note 21)	-	(596)
Profit / (loss) before taxation	1,654	(14,108)
Taxation	(1,091)	(2,065)
Net profit/(loss) from discontinued operations for the year	563	(16,173)

The details of the disposed subsidiary are presented below:

	2024
	QR'000
Non-current assets held for sale (Note 9)	120,986
Trade receivables	835
Cash and bank balance	20,304
Lease liabilities (Note 21)	(28,298)
Due to Parent entity	(113,293)
Trade payable	(1,805)
Total net liabilities	(1,271)
Adjustments to net liability	(1,380)
Adjustment to due to related party	95,387
Net assets disposed	92,736
Sales proceeds received	92,803
Gain on disposal of a subsidiary (i)	67

- (i) On December 2024, the Group sold Northrow Propco, a wholly owned subsidiary based in Jersey. The business of Northrow Propco was in the real estate operating segment until 1 October 2024.

(e) Liquidation

During the year, one of the Group's 70% owned local subsidiaries was liquidated and deregistered.



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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 2025</i>	<i>31 December 2024</i>
Nuzul Holding Company B.S.C (c)	Kingdom of Bahrain	51%	51%
Qatar Project Management Company Q.P.S.C.	Qatar	30%	30%
		2025	2024
		QR'000	QR'000
<i>Accumulated balances of material non-controlling interest.</i>			
Qatar Project Management Company Q.P.S.C.		26,935	29,449
Nuzul Holding Company B.S.C (c)		136,044	140,821
<i>Profit allocated to material non-controlling interest:</i>			
Qatar Project Management Company Q.P.S.C.		2,056	1,824
Nuzul Holding Company B.S.C (c)		(4,843)	3,240

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>
Summarised statement of profit or loss for the year ended 31 December 2025:		
Revenues and gains	81,222	11,910
Expenses and losses	(74,368)	(21,405)
Profit for the year	6,854	(9,495)
Total comprehensive income	6,854	(9,495)
Attributable to non-controlling interests	2,056	(4,843)
Dividend paid to non-controlling interests	4,500	-
Summarised statement of profit or loss for the year ended 31 December 2024:		
Revenues and gains	82,169	17,752
Expenses and losses	(76,088)	(11,400)
Profit for the year	6,081	6,352
Total comprehensive income	6,081	6,352
Attributable to non-controlling interests	1,824	3,240
Dividend paid to non-controlling interests	-	-



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44 MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

	<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 financial position as at 31 December 2025:</i>		
Non-current assets	24,188	271,140
Current assets	147,272	189,596
Non-current liabilities	(68,715)	(771)
Current liabilities	(12,963)	(193,211)
Net equity	89,782	266,754
<i>Attributable to:</i>		
Equity holders of Parent	62,847	130,709
Non-controlling interest	26,935	136,044
Total equity	89,782	266,754
<i>Summarised statement of financial position as at 31 December 2024:</i>		
Non-current assets	24,772	272,038
Current assets	135,581	201,618
Non-current liabilities	(12,187)	(4,059)
Current liabilities	(50,002)	(193,478)
Net equity	98,164	276,119
<i>Attributable to:</i>		
Equity holders of Parent	68,715	135,298
Non-controlling interest	29,449	140,821
Total equity	98,164	276,119
<i>Summarised cash flow information for the year ended 31 December 2025:</i>		
Operating activities	(6,968)	1,353
Investing activities	12,092	(1,227)
Financing activities	(4,500)	-
Net change in cash and cash equivalents	624	126
<i>Summarised cash flow information for the year ended 31 December 2024:</i>		
Operating activities	2,246	6,882
Investing activities	(3,738)	(5,764)
Financing activities	(3)	-
Net change in cash and cash equivalents	(1,495)	1,118



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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 bank balances - Receivables - Due from related parties - Financial Assets at FVTPL - Financial Assets at FVTOCI	- 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.



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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>	
	2025	2024
	QR'000	QR'000
<i>Floating profit rate instruments:</i>		
Fixed term deposits (Note 4)	1,337,837	2,151,960
Financial liabilities – Borrowings (Note 22)	(12,138,442)	(12,205,708)

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>
At 31 December 2025	-/+ 30,790
At 31 December 2024	-/+ 30,594

The Group will continue to apply the amendments to IFRS 9 until the uncertainty arising from the profit 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 profit 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.



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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:

	2025	2024
	QR'000	QR'000
	Assets	Assets
	(Liabilities)	(Liabilities)
EUR	375	514
GBP	87,702	199,024
MAD	3,230	68,178
KWD	(928,415)	(928,332)
EGP	(2,099)	(2,224)
AED	(2,245)	(2,062)
SAR	(35,250)	(64,897)
USD	(2,737,934)	(2,791,209)

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.

	2025	2024
	QR'000	QR'000
	+/- 5%	+/- 5%
EUR	19	26
GBP	4,385	9,951
MAD	162	3,409
KWD	(46,421)	(46,417)
EGP	(105)	(111)
AED	(112)	(103)
SAR	(1,763)	(3,245)
USD	(136,897)	(139,560)



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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>
2025			
Financial assets at fair value through other comprehensive income — Quoted	+10%	-	1,137
Financial assets at fair value through profit or loss	+10%	13,075	13,075
2024			
Financial assets at fair value through other comprehensive income — Quoted	+10%		2,656
Financial assets at fair value through profit or loss	+10%	11,882	11,882

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:

	2025 QR'000	2024 QR'000
Bank balances	1,764,759	2,736,242
Receivables	1,039,099	1,132,668
Due from related parties	84,610	68,834
	2,888,468	3,937,744



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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>
2025					
Bank balances	1,725,384	18,314	17,766	3,295	1,764,759
Receivables	1,025,755	2,590	7,169	3,585	1,039,099
Due from related parties	84,604	6	-	-	84,610
	2,835,743	20,910	24,935	6,880	2,888,468
	<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>
2024					
Bank balances	2,540,011	20,872	106,916	68,443	2,736,242
Receivables	1,104,869	24,699	19	3,081	1,132,668
Due from related parties	68,834	-	-	-	68,834
	3,713,714	45,571	106,935	71,524	3,937,744

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 allowance for expected credit loss of QR 457,261 thousand (2024: QR 617,417 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 fully recoverable as at the reporting date.

The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks. 98 % (2024: 93%) 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.



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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 88% of the trade receivable balance net of provision as of 31 December 2025 (2024: 98%).

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:

	2025	2024
	QR'000	QR'000
A+	103,452	121,430
A1	279,239	277,647
A	1,182,555	2,141,205
A-	25,819	26,267
BBB+	13,542	865
Others	160,152	168,828
Total	1,764,759	2,736,242

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



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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</i>	<i>Contractual cash</i>	<i>Less than</i>			<i>More than</i>
	<i>QR'000</i>	<i>out flows</i>	<i>1 year</i>	<i>1- 2 years</i>	<i>2 - 5 years</i>	<i>5 years</i>
<i>2025</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>
Payables and other liabilities	828,901	828,901	817,806	11,095	-	-
Due to related parties	168,394	168,394	168,394	-	-	-
Lease liabilities	220,917	691,083	32,290	14,704	38,789	605,300
Obligations under Islamic finance contracts	12,989,070	15,110,960	1,810,214	3,921,136	9,079,475	300,135
	14,207,282	16,799,338	2,828,704	3,946,935	9,118,264	905,435
<i>2024</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>
Payables and other liabilities	926,640	929,982	914,523	15,459	-	-
Due to related parties	149,409	149,409	148,830	579	-	-
Lease liabilities	203,572	485,387	25,738	13,823	39,649	406,177
Obligations under Islamic finance contracts	13,060,237	16,167,751	2,801,338	1,698,950	4,682,344	6,985,119
	14,339,858	17,732,529	3,890,429	1,728,811	4,721,993	7,391,296



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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	1-2 years	2-5 years	More than 5 years	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
2025					
Receivables	325,007	49,939	88,200	575,953	1,039,099
Due from related parties	84,610	-	-	-	84,610
Financial instruments	920,914	25,918	-	-	946,832
	1,330,531	75,857	88,200	575,953	2,070,541
	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
2024					
Receivables	405,107	60,188	144,630	522,743	1,132,668
Due from related parties	68,834	-	-	-	68,834
Financial instruments	317,211	41,050	-	-	358,261
	791,152	101,238	144,630	522,743	1,559,763

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.



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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 utilises 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:

	2025	2024
	QR'000	QR'000
Finance cost bearing debts	12,989,070	13,060,237
Less: bank balances	(1,683,960)	(2,647,328)
Net debt	11,305,110	10,412,909
Total equity (excluding legal reserve & non-controlling interests)	20,698,213	20,160,284
Net debt to equity ratio at 31 December	54.62%	51.65%



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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 recognised 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 (ii)
- 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.

(ii) Going concern assessment

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.



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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 recognised 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 recognised 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.



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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 recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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).



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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 recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 31).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

The Group's leasing activities and how these are accounted for:

The Group leases various plots of land and buildings. Rental contracts are typically made for fixed periods ranging from 1 to 99 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

With effect from 1st January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic finance cost on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the rate implicit in the agreement, if applicable. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.



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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 recognised 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, recognised the use of relevant observable inputs and recognised the use of unobservable inputs.



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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 recognised 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 recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing recognised 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.



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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 amortised cost, and financial assets at fair value through other comprehensive income, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time-frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets carried at amortised cost

loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective profit rate method, less any impairment losses. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

Financial liabilities

The Group's financial liabilities include trade and other payables, due to related parties, obligations under Islamic finance contracts and lease liabilities.

Non-derivative financial liabilities

The Group initially recognised 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 recognised 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 recognised 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.



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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 recognised 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 recognised in the consolidated statement of profit or loss.

The reversal of the previously recognised impairment loss is recognised 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 recognised in the consolidated statement of profit or loss) is removed from equity and recognised in the consolidated statement of profit or loss. Impairment losses recognised 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 recognised in the consolidated statement profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 OTHER MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Impairment losses recognised 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 recognised 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 amortisation, if no impairment loss had been recognised.

Tenant deposits

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. These deposits are refundable to the tenants at the end of the lease term.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in 'Qatari Riyals' ("QR"), which is the Group's presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'finance income or costs'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated statement profit or loss, and other changes in carrying amount are recognised in the consolidated statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the consolidated statement profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equity instruments classified as *financial assets at fair value through other comprehensive income*, are included in the consolidated statement of comprehensive income.



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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 recognised 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 recognised 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 Accounting Standards recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of 1 January 2025:

48.1 New and amended IFRS Accounting Standards that are effective for the current year

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards issued by the International Accounting Standards Board (IASB) effective from 1 January 2025 as noted below:

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

<i>Content</i>	<i>Effective date</i>
Lack of exchangeability – Amendments to IAS 21	1 January 2025

The new amendments had no impact on the Group's consolidated financial statements.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's consolidated financial statements.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

48.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted

The new and amended standards 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 the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date

Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

48.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its Consolidated financial statements.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

48.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Group's financial statements are, as follows:

Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.

Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.

New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

48.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a Parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

