BARWA
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# Barwa Real Estate Company Q.P.S.C.

## Interim Condensed Consolidated Financial Statements

## 30 June 2026

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## Contents



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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BARWA REAL ESTATE COMPANY Q.P.S.C.**

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Barwa Real Estate Company Q.P.S.C. (the 'Company') and its subsidiaries (together referred as the "Group") as at 30 June 2026, which comprise the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting ("IAS 34")*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

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

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Date: 28 July 2026
Doha

## Interim consolidated statement of financial position

| | Notes | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and bank balances | 5 | **1,340,589** | 1,767,825 |
| Financial assets at fair value through profit or loss | | **129,065** | 130,750 |
| Inventory | | **10,761** | 10,696 |
| Trading properties | 7 | **677,023** | 656,095 |
| Due from related parties | 8 | **93,254** | 84,610 |
| Receivables and prepayments | 6 | **1,071,698** | 1,048,851 |
| Financial assets at fair value through other comprehensive income | 34 | **961,680** | 816,082 |
| Advances for projects and investments | | **268,570** | 286,715 |
| Investment properties | 10 | **32,055,953** | 32,010,374 |
| Property, plant and equipment | | **432,577** | 435,361 |
| Right-of-use assets | 11 | **5,995** | 2,930 |
| Investment in equity accounted investees | 12 | **67,235** | 3,985 |
| Deferred tax assets | | **4,534** | 4,896 |
| Goodwill | 13 | **126,411** | 126,411 |
| | | **37,245,345** | 37,385,581 |
| Assets held for sale | 9 | **77,175** | 78,705 |
| **TOTAL ASSETS** | | **37,322,520** | 37,464,286 |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| Payables and other liabilities | 14 | **782,632** | 842,788 |
| Due to related parties | 8 | **413,315** | 168,394 |
| Provisions | 15 | **57,382** | 58,641 |
| Lease liabilities | 16 | **213,741** | 220,917 |
| Obligations under Islamic finance contracts | 17 | **12,992,507** | 12,989,070 |
| End of service benefits | | **130,160** | 148,348 |
| Deferred tax liabilities | | **6,246** | 6,234 |
| | | **14,595,983** | 14,434,392 |
| Liabilities directly associated with the assets held for sale | 9 | **96** | 609 |
| **TOTAL LIABILITIES** | | **14,596,079** | 14,435,001 |
| **EQUITY** | | | |
| Share capital | | **3,891,246** | 3,891,246 |
| Legal reserve | | **2,128,494** | 2,153,494 |
| General reserve | | **4,639,231** | 4,639,231 |
| Other reserves | 25 | **(303,193)** | (296,565) |
| Retained earnings | | **12,210,254** | 12,464,301 |
| Total equity attributable to equity holders of the Parent | | **22,566,032** | 22,851,707 |
| Non-controlling interests | | **160,409** | 177,578 |
| **TOTAL EQUITY** | | **22,726,441** | 23,029,285 |
| **TOTAL LIABILITIES AND EQUITY** | | **37,322,520** | 37,464,286 |

These interim condensed consolidated financial statements were authorised for issuance by the Board of Directors on 28 July 2026 and signed on their behalf by:

**H.E. Abdulla Bin Hamad Al-Attiyah**
**Chairman**

**Eng. Ahmad Mohammad Al-Tayeb**
**Group Chief Executive Officer**



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# Barwa Real Estate Company Q.P.S.C.
## Interim condensed consolidated financial statements
### For the six months period ended 30 June 2026

## Interim consolidated statement of profit or loss

| | Notes | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Rental income | | **807,325** | 713,900 |
| Rental operation expenses | 18 | **(151,662)** | (147,921) |
| **Net rental income** | | **655,663** | 565,979 |
| Income from consultancy and other services | | **148,123** | 185,417 |
| Consultancy and other services expenses | 19 | **(121,319)** | (125,952) |
| **Net consulting and other service income** | | **26,804** | 59,465 |
| Sale of property and construction services | 20 | **89,785** | 10,520 |
| Cost of sale of property and construction services | 20 | **(83,419)** | (9,608) |
| **Profit on sale of property and construction services** | | **6,366** | 912 |
| General and administrative expenses | | **(98,225)** | (97,673) |
| Net reversal / (loss) of impairment for operating activities | 21 | **7,604** | (22,140) |
| Other income | 22 | **37,193** | 34,828 |
| Depreciation | | **(5,601)** | (5,341) |
| Amortisation of right-of-use assets | 11 | **(90)** | (721) |
| Net foreign exchange loss | | **(1,111)** | (5,861) |
| **Operating profit before changes in fair value of investment properties** | | **628,603** | 529,449 |
| Net fair value gain on investment properties | 10 | **60,887** | 288,396 |
| **Operating profit** | | **689,490** | 817,844 |
| Gain on reclassification of a subsidiary to joint venture | 12A | **28,723** | - |
| Share of results from equity accounted investees | 12 | **1,707** | - |
| Income from investment | | **41,589** | 12,672 |
| Finance income | 23 | **36,847** | 60,123 |
| Net reversal of impairment for investing activities | 21 | **3,434** | - |
| Loss on revaluation of financial assets at fair value through profit or loss | | **(1,685)** | (5,470) |
| **Profit before financing and tax** | | **800,105** | 885,169 |
| | | | |
| Finance cost on obligations under Islamic finance | 23 | **(288,896)** | (312,312) |
| Finance cost lease liability IFRS 16 | 23 | **(5,265)** | (4,996) |
| Unwinding of deferred finance cost | 23 | **-** | (1,816) |
| **Profit before tax** | | **505,944** | 566,045 |
| Tax expense | 31 | **(42,219)** | (5,765) |
| **Profit from continuing operations** | | **463,725** | 560,280 |
| Net profit after tax from discontinued operations | 9 | **453** | 638 |
| **Profit for the period** | | **464,178** | 560,918 |
| | | | |
| ***Attributable to:*** | | | |
| *Equity holders of the Parent* | | **459,303** | 560,166 |
| *Non-controlling interests* | | **4,875** | 752 |
| | | **464,178** | 560,918 |
| | | | |
| **Basic and diluted earnings per share** *(attributable to equity holders of the Parent expressed in QR per share)* | 24 | **0.1180** | 0.1441 |
| **Basic and diluted earnings per share for continuing operations** *(attributable to equity holders of the Parent expressed in QR per share)* | 24 | **0.1179** | 0.1440 |

## Interim consolidated statement of comprehensive income

| | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Net profit for the period | **464,178** | 560,918 |
| **Other comprehensive income** | | |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation of foreign operations | **(6,791)** | 28,200 |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | |
| Net change in the fair value of financial assets at fair value through other comprehensive loss | **(980)** | 942 |
| **Other comprehensive (loss) / income for the period** | **(7,771)** | 29,142 |
| **Total comprehensive income for the period** | **456,407** | 590,060 |
| ***Attributable to:*** | | |
| Equity holders of the Parent | **451,532** | 589,132 |
| Non-controlling interests | **4,875** | 928 |
| | **456,407** | 590,060 |

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**Barwa Real Estate Company Q.P.S.C.**
**Interim condensed consolidated financial statements**
**For the six months period ended 30 June 2026**

# Interim consolidated statement of changes in equity

| | Share capital QR'000 | Legal reserve QR'000 | General reserve QR'000 | Other reserves QR'000 | Retained earnings QR'000 | Total QR'000 | Non-controlling interests QR'000 | Total Equity QR'000 |
|---|---|---|---|---|---|---|---|---|
| | *Equity attributable to owners of the Parent* | | | | | | | |
| Balance at 1 January 2025 (Audited) | 3,891,246 | 2,148,008 | 4,639,231 | (336,607) | 11,966,414 | 22,308,292 | 176,985 | 22,485,277 |
| Net profit for the period | - | - | - | - | 560,166 | 560,166 | 752 | 560,918 |
| Other comprehensive income for the period | - | - | - | 28,966 | - | 28,966 | 176 | 29,142 |
| Total comprehensive income for the period | - | - | - | 28,966 | 560,166 | 589,132 | 928 | 590,060 |
| Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income | - | - | - | 8,286 | (8,286) | - | - | - |
| Liquidation | - | - | - | - | - | - | 7,698 | 7,698 |
| *Transactions with shareholders in their capacity as owners:* | | | | | | | | |
| Dividends for 2024 (Note 30) | - | - | - | - | (700,424) | (700,424) | - | (700,424) |
| Dividend paid to non-controlling interest | - | - | - | - | - | - | (4,500) | (4,500) |
| Balance at 30 June 2025 (Reviewed) | 3,891,246 | 2,148,008 | 4,639,231 | (299,355) | 11,817,870 | 22,197,000 | 181,111 | 22,378,111 |

| | ***Share capital QR'000*** | ***Legal reserve QR'000*** | ***General reserve QR'000*** | ***Other reserves QR'000*** | ***Retained earnings QR'000*** | ***Total QR'000*** | ***Non-controlling interests QR'000*** | ***Total Equity QR'000*** |
|---|---|---|---|---|---|---|---|---|
| | ***Equity attributable to owners of the Parent*** | | | | | | | |
| **Balance at 1 January 2026 (Audited)** | **3,891,246** | **2,153,494** | **4,639,231** | **(296,565)** | **12,464,301** | **22,851,707** | **177,578** | **23,029,285** |
| Net profit for the period | - | - | - | - | 459,303 | 459,303 | 4,875 | 464,178 |
| Other comprehensive loss for the period | - | - | - | (7,771) | - | (7,771) | - | (7,771) |
| **Total comprehensive (loss) / income for the period** | - | - | - | (7,771) | 459,303 | 451,532 | 4,875 | 456,407 |
| Contribution to the social and sports fund | - | - | - | - | (11,783) | (11,783) | - | (11,783) |
| Loss of control over a subsidiary | - | (25,000) | - | - | - | (25,000) | (22,044) | (47,044) |
| Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income | - | - | - | 1,143 | (1,143) | - | - | - |
| ***Transactions with shareholders in their capacity as owners:*** | | | | | | | | |
| Dividends for 2025 (Note 30) | - | - | - | - | (700,424) | (700,424) | - | (700,424) |
| **Balance at 30 June 2026 (Reviewed)** | **3,891,246** | **2,128,494** | **4,639,231** | **(303,193)** | **12,210,254** | **22,566,032** | **160,409** | **22,726,441** |

The attached notes from 1 to 34 form an integral part of these interim condensed consolidated financial statements

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## Barwa Real Estate Company Q.P.S.C.
## Interim condensed consolidated financial statements
### For the six months period ended 30 June 2026

## Interim consolidated statement of cash flows

| | Notes | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Operating profit from continuing operations | | **689,490** | 817,844 |
| Operating profit from discontinued operations | | **453** | 638 |
| **Operating profit** | | **689,943** | 818,482 |
| *Adjustments for:* | | | |
| Net fair value gain on investment properties | 10 | **(60,887)** | (288,396) |
| Depreciation | (i) | **17,501** | 15,356 |
| Amortisation of right-of-use assets | | **90** | 721 |
| Net (reversal of impairment) / impairment losses | | **(7,604)** | 22,140 |
| Provision for end of service benefit | | **22,338** | 13,636 |
| Other income - net | | **(35,509)** | (29,358) |
| **Operating profit before working capital changes** | | **625,872** | 552,581 |
| ***Changes in working capital:*** | | | |
| Change in receivables and prepayments | | **(21,424)** | 36,460 |
| Change in inventories | | **(65)** | (205) |
| Change in trading properties | | **(21,201)** | (56,580) |
| Change in amounts due from and due to related parties | | **18,486** | 10,076 |
| Change in provisions | | **-** | (78,466) |
| Change in payables and accruals | | **(93,968)** | (34,667) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | **507,700** | 429,199 |
| Payment of employees' end of service benefits | | **(27,588)** | (8,389) |
| Income tax paid | | **(9,107)** | (2,091) |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | | **471,005** | 418,719 |
| **INVESTING ACTIVITIES** | | | |
| Finance income received | | **48,453** | 71,425 |
| Payments for addition to investment properties | | **(18,725)** | (123,094) |
| Proceeds from sale of non-current assets held for sale | | **-** | 59,422 |
| Advances paid for projects and investments | | **(33,224)** | (7,890) |
| Advances received on account of sale of property | | **40,835** | 34,081 |
| Payments for purchase of property, plant and equipment | | **(3,010)** | (1,176) |
| Dividend income received | | **41,589** | 12,375 |
| Net payment for financial asset at fair value through other comprehensive income | | **(145,553)** | (402,146) |
| Net movement in short term deposits maturing after three months | | **419,459** | 884,688 |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | | **349,824** | 527,685 |

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## Interim consolidated statement of cash flows (continued)

| | Notes | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|---|
| **FINANCING ACTIVITIES** | | | |
| Finance cost paid | | (246,097) | (231,136) |
| Payments for obligations under Islamic finance contracts | | (50,877) | (73,143) |
| Dividend paid to non-controlling interest | | - | (4,500) |
| Dividends paid | | (513,496) | (515,114) |
| Payment of lease liabilities | | (15,986) | (5,419) |
| Change in restricted bank balances | | (59,650) | 3,688 |
| **NET CASH USED IN FINANCING ACTIVITIES** | | (886,106) | (825,624) |
| **NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS** | | (65,277) | 120,780 |
| Net foreign exchange difference | | (3,071) | 18,359 |
| **Cash and cash equivalents at 1 January** | 5 | 416,527 | 549,680 |
| **CASH AND CASH EQUIVALENTS AT 30 JUNE** | 5 | 348,179 | 688,819 |

***Notes:***

*(i)* Depreciation for the six month period ended 30 June 2026 includes an amount of QR 11,900 thousand charged to operation expenses in the interim consolidated statement of profit or loss (30 June 2025 - QR 10,015 thousand).

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# Notes to the interim condensed 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 Public 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 Stock 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, management and others.

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 period are included in these interim condensed consolidated financial statements as listed below. In addition to the below listed subsidiaries, there are a number of other subsidiaries' financial statements that are consolidated into these interim condensed consolidated financial statements and are accounting for less than 2% of the total assets and/or operational results of the Group.

| | | *Group effective shareholding percentage* | |
|---|---|---|---|
| ***Name of subsidiary*** | ***Country of incorporation*** | ***30 June 2026*** | *31 December 2025* |
| 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 and Mesaimeer Company W.L.L. | Qatar | **100%** | 100% |
| Qatar Real Estate Investment Company P.J.S.C. | Qatar | **100%** | 100% |
| Qatar Project Management Company Q.P.S.C. (i) | Qatar | - | 70% |
| Madinat Al Mawater 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 District Cooling Company W.L.L. | Qatar | **100%** | 100% |
| Dar Al Eloum Real Estate development W.L.L. | Qatar | **100%** | 100% |

Note (i):
During the year the Group signed a joint venture agreement with its 30% partner in Qatar Project Management Company Q.P.S.C. (QPM). As a result, now decisions affecting the operations and policies of QPM must be unanimously approved between the partners prior to execution. The Group maintained its 70% shareholding in QPM, which upon signing the joint venture agreement was reclassified from being an investment in a subsidiary to an investment in joint venture (Note 12A).

# Notes to the interim condensed consolidated financial statements

## 2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the period ended 30 June 2026 have been prepared in accordance with International Financial Reporting Standards, IAS 34 "Interim Financial Reporting".

These interim condensed consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Group's functional and presentational currency and all values are rounded off to the nearest thousands (QR'000) except when otherwise indicated.

These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for IFRS.18 as disclosed below.

*New standards and interpretations effective for annual periods beginning on or after 1 January 2026*

Below amendments applies for the first time in 2026, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- **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 had no impact on the Group's interim condensed financial statements.

- **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:
  - Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (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 had no impact on the Group's interim condensed financial statements.

## Notes to the interim condensed consolidated financial statements

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

New standards and interpretations effective for annual periods beginning on or after 1 January 2026 (continued):

- **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, and they:
  - 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 had no impact on Group's interim condensed financial statements.

The Group has early adopted IFRS 18 and the related consequential amendments, which is effective for annual periods beginning on or after 1 January 2027. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**IFRS 18 Presentation and disclosure in interim condensed consolidated financial statements**
The Group early adopted IFRS 18, which supersedes IAS 1 and made consequential amendments to other standards. IFRS 18 introduces new requirements for presentation within the interim condensed consolidated statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the interim condensed consolidated statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of management-defined performance measures (Note 32) and 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, consequential amendments have been made to IAS 7, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit before tax' to 'operating profit or loss' and removing the optionality around the classification of cash flows from dividends and interest. There are also consequential amendments to several other standards, including IAS 8 and IAS 33.

In applying IFRS 18 for the first time, the Group has applied the transition reliefs available in Appendix C of IFRS 18, including the relief relating to reclassifying the comparative interim information where applicable. Comparative information has been presented in accordance with the transition requirements of IFRS 18.

### 4 ACCOUNTING ESTIMATES

The preparation of these interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the interim condensed consolidated financial statement is described in Note 46 of the annual consolidated financial statements for the year ended 31 December 2025. In preparing these interim condensed consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2025.

## Notes to the interim condensed consolidated financial statements

### 5 CASH AND BANK BALANCES

Cash and bank balances are comprised of the following:

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Cash on hand | **1,263** | 4,835 |
| Short term deposits (i) | **999,160** | 1,337,837 |
| Current accounts | **99,748** | 233,751 |
| Call accounts | **101,703** | 112,372 |
| Restricted balances (ii) | **73,777** | 76,700 |
| Margin bank accounts | **66,672** | 4,099 |
| | **1,342,323** | 1,769,594 |
| Allowance for expected credit loss | **(1,734)** | (1,769) |
| **Total cash and bank balances** | **1,340,589** | 1,767,825 |
| Short term bank deposits maturing after 3 months (i) | **(860,893)** | (1,280,352) |
| Restricted bank balances and margin accounts | **(140,449)** | (80,799) |
| Expected credit loss | **1,734** | 1,769 |
| **Cash and cash equivalents for continuing operation** | **340,981** | 408,443 |
| Bank balances included in Assets held for sale (Note 9) | **7,198** | 8,084 |
| **Cash and cash equivalents** | **348,179** | 416,527 |

*Notes:*

*(i)* Short term bank deposits are made for varying periods depending on the cash requirements of the Group with original maturity period ranging up to twelve months carrying profit at commercial market rates. Cash and cash equivalents include fixed deposits maturing within three months amounting to QR 138,267 thousand (31 December 2025: QR 57,485 thousand).

*(ii)* Restricted bank balances are restricted mainly to cover certain bank guarantees issued by the Group and the settlement of dividends yet unclaimed by the Parent's shareholders.

Allowance for expected credit loss on bank balances at 30 June 2026 was QR 1,734 thousand (31 December 2025: QR 1,769 thousand). Movements in the allowance for expected credit loss of bank balances are as follows:

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| At beginning of the period / year | **1,769** | 2,727 |
| Allowance for the period / year (Note 21) | **70** | 253 |
| Reversal of provision (Note 21) | **(5)** | (1,211) |
| Loss of control over a subsidiary | **(100)** | - |
| At end of the period / year | **1,734** | 1,769 |

## Notes to the interim condensed consolidated financial statements

### 6 RECEIVABLES AND PREPAYMENTS

The following table presents receivables and prepayments at the reporting date:

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Trade receivables (i) | **1,161,372** | 1,202,669 |
| Prepaid expenses | **17,180** | 9,752 |
| Accrued income | **92,915** | 89,608 |
| Refundable deposits | **20,601** | 20,539 |
| Staff receivables | **13,185** | 16,777 |
| Accrued profit on Islamic financial deposits | **16,305** | 27,911 |
| Other receivables | **119,392** | 60,942 |
| Allowance for expected credit loss of trade receivables (ii) | **(316,284)** | (326,451) |
| Allowance for expected credit loss of other receivables | **(52,968)** | (52,896) |
| | **1,071,698** | 1,048,851 |

The following table presents the current and non-current classification of receivables and prepayments at the reporting date:

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Current | **433,711** | 334,759 |
| Non-current | **637,987** | 714,092 |
| | **1,071,698** | 1,048,851 |

(i) Trade receivables include an amount of QR 723,195 thousand (31 December 2025: QR 769,573 thousand) relating to the Public Partnership Agreement signed in 2020 between one of the Group's subsidiaries and the Ministry of Education and Higher Education (MOEHE) represented by the Public Works Authority "Ashghal". During 2020, one of the Group's subsidiaries and the MOEHE represented by 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).

(ii) As at 30 June 2026, trade receivables amounting to QR 316,284 thousand (31 December 2025: QR 326,451 thousand) were impaired and fully provided for. Movements in the allowance for expected credit loss of trade receivables are as follows:

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| At beginning of the period / year | **326,451** | 496,953 |
| Allowance charge for the period / year (Note 21) | **15,533** | 53,167 |
| Reversal of provision during the period / year (Note 21) | **(17,689)** | (34,979) |
| Loss of control over a subsidiary | **(636)** | - |
| Written off | - | (188,690) |
| Other adjustments | **(7,375)** | - |
| At end of the period / year | **316,284** | 326,451 |

## Notes to the interim condensed consolidated financial statements

### 7 TRADING PROPERTIES

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Properties available for sale (i) | **60,179** | 81,921 |
| Properties under development-net (ii) | **616,844** | 574,174 |
| | **677,023** | 656,095 |

(i) Movements of properties available for sale during the period / year were as follows:

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| At beginning of the period / year | **81,921** | 26,080 |
| Addition | **1,349** | 55,841 |
| Cost of sold property | **(23,091)** | - |
| At end of the period / year | **60,179** | 81,921 |

(ii) Movements of properties under development during the period / year were as follows:

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| At beginning of the period / year | **574,174** | 520,358 |
| Additions | **36,506** | 18,444 |
| Transferred from investment properties (Note 10) | **-** | 35,439 |
| Loss of control over a subsidiary | **6,438** | - |
| Adjustment relating to net realizable value | **-** | (67) |
| Foreign exchange adjustments | **(274)** | - |
| At end of the period / year | **616,844** | 574,174 |

### 8 RELATED PARTY DISCLOSURES

Qatari Diar Real Estate Investment Company Q.S.C. is the main shareholder of the Group, 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 widely held and publicly traded at the Qatar Stock Exchange.

The Group has transactions with related parties, i.e. main shareholder, associated companies, directors and key management personals of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

## Notes to the interim condensed consolidated financial statements

### 8 RELATED PARTY DISCLOSURES (CONTINUED)

**Related party transactions**
Transactions with related parties during the period were as follows:

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| Income from consultancy and other services – Main shareholder and its subsidiaries | **28,713** | 31,894 |

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

| | Due from related parties | | Due to related parties | |
|---|---|---|---|---|
| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
| Qatari Diar Real Estate Investment Co. Q.S.C. and its subsidiaries companies | **54,597** | 82,940 | **350,264** | 161,314 |
| Investment in equity accounted investees | **38,342** | - | **57,880** | - |
| Other related parties | **315** | 1,670 | **5,171** | 7,080 |
| | **93,254** | 84,610 | **413,315** | 168,394 |

All related parties balances are current balances.

At 30 June 2026, allowance for expected credit loss on due from related parties amounting to QR 8,143 thousand (31 December 2025: QR 7,925 thousand).

**Compensation of directors and other key management personnel**
The remuneration of directors and other members of key management of the Parent during the period were as follows:

| | For the six months ended 30 June | |
|---|---|---|
| | 2026 (Reviewed) QR'000 | 2025 (Reviewed) QR'000 |
| Short term benefits | **11,193** | 11,013 |
| End of service benefits | **615** | 564 |
| | **11,808** | 11,577 |

## Notes to the interim condensed consolidated financial statements

### 9 ASSETS HELD FOR SALE

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Assets relating to discontinued operations (i) | 77,175 | 78,705 |

(i) Discontinued operations:

On 5 June 2025, the management approved the sale of one of its international subsidiaries, whose business is in the real estate segment. Its results for the period are presented below:

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| Rental income | 544 | 1,416 |
| General and administrative expenses | (158) | (183) |
| Other income | 67 | 63 |
| **Profit before taxation** | 453 | 1,296 |
| Taxation | - | (658) |
| **Net profit from discontinued operations for the period** | 453 | 638 |

***The details of the Assets of discontinued operations are presented below:***

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Investment property | 62,884 | 63,996 |
| Trade & other receivables | 7,093 | 6,625 |
| Cash and bank balance | 7,198 | 8,084 |
| ***Asset held for sale*** | 77,175 | 78,705 |

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

| | | |
|---|---|---|
| Payables and other liabilities | (96) | (609) |
| **Liabilities directly associated with the assets held for sale** | (96) | (609) |
| **Net assets held for sale** | 77,079 | 78,096 |

## Notes to the interim condensed consolidated financial statements

### 10 INVESTMENT PROPERTIES

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| At beginning of the period / year | **32,010,374** | 31,347,223 |
| Additions | **79,430** | 154,330 |
| Capitalised finance cost | **5,075** | 20,553 |
| Cost of sold property | **(57,550)** | - |
| Transferred to non-current assets held for sale | **-** | (152,217) |
| Transferred to trading properties – property under development (Note 7) | **-** | (35,439) |
| Transferred to Property, plant and equipment | **(39,738)** | - |
| Right-of-use assets - lease adjustments/ modification | **389** | 18,832 |
| Net fair value gain | **60,887** | 646,185 |
| Foreign exchange adjustment | **(2,914)** | 10,907 |
| At end of the period / year | **32,055,953** | 32,010,374 |

*Notes :*

*(i)* Investment properties are located in the State of Qatar, Kingdom of Bahrain, Kingdom of Saudi Arabia and Republic of Cyprus.

*(ii)* Fair values of international investment properties have been valued internally as of 30 June 2026, except for 2 properties located in the Kingdom of Bahrain and the Kingdom of Saudi Arabia, which have been valued at 31 December 2025. Investment properties located in the State of Qatar are stated at fair value based on valuations performed by accredited independent valuers as at 30 June 2026 and 31 December 2025. Those valuers are accredited independent valuers with 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 judgment 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)* Transfer of title deeds for certain properties included in investment properties with a fair value of QR 1,240,439 thousand at 30 June 2026 (31 December 2025: QR 1,298,803 thousand) are in progress. The interim condensed consolidated financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the Group.

## Notes to the interim condensed consolidated financial statements

### 11 RIGHT-OF-USE ASSETS

The Group leases several assets including buildings and land. The lease terms range from 1 to 25 years.

The movement of right-of-use assets during the period / year is illustrated as follows:

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Cost: | | |
| At beginning of the period / year | **104,473** | 104,473 |
| Addition during the period / year | **3,155** | - |
| | **107,628** | 104,473 |
| Accumulated amortisation: | | |
| At beginning of the period / year | **(101,543)** | (100,753) |
| Charge for the period / year | **(90)** | (790) |
| | **(101,633)** | (101,543) |
| At end of the period / year | **5,995** | 2,930 |

Amounts recognised in interim consolidated statement of profit or loss during the period is summarised as follows:

| | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Amortisation of right-of-use assets | **90** | 721 |

### 12 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Investment in a joint venture [A] | **61,087** | - |
| Investment in associates [B] | **6,148** | 3,985 |
| | **67,235** | 3,985 |

*Share of results from equity accounted investees is analysed as follows:*

| | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| From investment in a joint venture [A] | **1,499** | - |
| From investment in associates [B] | **208** | - |
| | **1,707** | - |

## Notes to the interim condensed consolidated financial statements

### 12 INVESTMENT IN EQUITY ACCOUNTED INVESTEES (Continued)

**[A] Investment in joint venture**

At 31 December 2025 the Group exercised control over Qatar Project Management (QPM) with a shareholding of 70%. On 16 April 2026 the Group signed a joint venture agreement with its 30% partner in QPM. Based on the newly signed joint venture agreement, QPM's operations and policies are now jointly controlled based on the unanimous decision of the Group and its partner in QPM.

The net assets of QPM at the date of signing the joint venture agreement were as follows:

| | *QR'000* |
|---|---|
| **ASSETS** | |
| Cash and bank | **18,320** |
| Receivables and prepayments | **16,927** |
| Due from related parties | **115,926** |
| Property and equipment | **24,041** |
| | **175,214** |
| **LIABILITIES** | |
| Payables and accruals | **30,989** |
| Due to related parties | **51,577** |
| Provisions | **150** |
| | **82,716** |
| **NET ASSETS** | **92,498** |

*Movement in joint venture during the period is illustrated as follows:*

| | ***30 June 2026 (Reviewed) QR'000*** | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| At the beginning of the period | **-** | - |
| Reclassification from investment in subsidiary | **30,865** | - |
| Gain on reclassification of a subsidiary to joint venture | **28,723** | - |
| Share of results during the period | **1,499** | - |
| At end of the period | **61,087** | - |

# Notes to the interim condensed consolidated financial statements

## 12 INVESTMENT IN EQUITY ACCOUNTED INVESTEES (Continued)

### [B] Investment in associates

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

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| At beginning of the period / year | **3,985** | 8,080 |
| Dividends from associates | **(1,479)** | (2,480) |
| Share of results of associates during the period / year | **208** | 1,109 |
| Reversal of impairment / (Impairment loss( during the period / year (Note 21) | **3,437** | (2,818) |
| Impairment loss during the period / year (Note 21) | **(3)** | - |
| Share of change in fair value reserve | **-** | 94 |
| At end of the period / year | **6,148** | 3,985 |

## 13 GOODWILL

| | *30 June 2026 QR'000* **(Reviewed)** | *31 December 2025 QR'000* (Audited) |
|---|---|---|
| Goodwill | **126,411** | 126,411 |

100% of the goodwill is allocated to one of the Group's subsidiaries as a cash generating unit. The Group performs its annual impairment test as at 31 December. 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.

## 14 PAYABLES AND OTHER LIABILITIES

| | *30 June 2026 (Reviewed) QR'000* | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Contractors and suppliers | **127,583** | 129,092 |
| Clients advances and unearned income | **65,937** | 13,887 |
| Retention payable | **84,456** | 89,401 |
| Advances received for sale of properties | **40,835** | 30,667 |
| Contribution to social and sports fund | **11,783** | 31,079 |
| Accrued expenses | **181,301** | 214,651 |
| Accrued finance cost | **71,745** | 77,074 |
| Income tax liability | **64,181** | 38,996 |
| Other payables | **134,811** | 217,941 |
| | **782,632** | 842,788 |

*The maturity of payables and other liabilities are as follows:*

| | | |
|---|---|---|
| Current | **771,975** | 831,693 |
| Non-current | **10,657** | 11,095 |
| | **782,632** | 842,788 |

## Notes to the interim condensed consolidated financial statements

### 15 PROVISIONS

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| At beginning of the period / year | **58,641** | 170,556 |
| Reversal during the period / year | **(1,109)** | - |
| Utilised during the period / year | - | (111,915) |
| Loss of control over a subsidiary | **(150)** | - |
| At end of the period / year | **57,382** | 58,641 |

### 16 LEASE LIABILITIES

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| At beginning of the period / year | **220,917** | 203,572 |
| Addition | **3,155** | - |
| Modifications | **389** | 20,533 |
| Unwinding of deferred finance cost for continuing operation (Note 23) | **5,265** | 10,172 |
| Payments | **(15,985)** | (13,360) |
| At end of the period / year | **213,741** | 220,917 |
| *Lease liabilities are further analysed as follows:* | | |
| Current | **9,724** | 20,504 |
| Non-current | **204,017** | 200,413 |
| | **213,741** | 220,917 |

### 17 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

The movements in the obligations under Islamic finance contracts were as follows:

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| At beginning of the period / year | **12,989,070** | 13,060,237 |
| Accrued finance cost | **52,832** | 132,001 |
| Repayments | **(50,876)** | (199,267) |
| Deferred finance charges paid during the period | **(3,814)** | (15,250) |
| Deferred finance charges amortised during the period | **5,295** | 11,349 |
| At end of the period / year | **12,992,507** | 12,989,070 |
| Un-secured facilities | **11,111,324** | 11,096,627 |
| Secured facilities (*) | **1,941,545** | 1,954,286 |
| Deferred finance charges | **(60,362)** | (61,843) |
| | **12,992,507** | 12,989,070 |

## Notes to the interim condensed consolidated financial statements

### 17 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS (CONTINUED)

(*) 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 with balance of QR 1,941 million as at 30 June 2026 (31 December 2025: QR 1,954 million).

*The maturity profile of obligations under Islamic finance contracts were as follows:*

| | ***30 June 2026 (Reviewed) QR'000*** | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Current (i) | **1,251,998** | 1,330,293 |
| Non-current | **11,740,509** | 11,658,777 |
| | **12,992,507** | 12,989,070 |

(i) The Group is currently in the process of negotiating the rescheduling of part of the obligations to enhance the Group's liquidity.

Following is the summary of the terms of the borrowings at period / year end:

| **Currency** | **Original currency** | **Final Maturity** | **Profit** | **Profit rate** | ***30 June 2026 (Reviewed)*** **QR'000** | *31 December 2025 (Audited)* QR'000 |
|---|---|---|---|---|---|---|
| USD | USD 907 million | 2027-2031 | Floating | SOFR + margin | **3,306,646** | 3,270,714 |
| KWD | KWD 77 million | 2026-2027 | Fixed | Fixed | **912,471** | 912,471 |
| QAR | QR 8,834 million | 2030-2043 | Floating | QMRL +/- margin | **8,833,752** | 8,867,728 |
| | | | | | **13,052,869** | 13,050,913 |

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 semi-annually, on 30th June and 31st December, 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, refinancing previous facilities 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.

## Notes to the interim condensed consolidated financial statements

### 18 RENTAL OPERATION EXPENSES

| | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Staff costs | **67,665** | 67,846 |
| Facility management expense | **47,075** | 34,219 |
| Maintenance and utilities expense | **33,547** | 36,651 |
| Depreciation | **38** | - |
| Other expenses | **3,337** | 9,205 |
| | **151,662** | 147,921 |

### 19 CONSULTANCY AND OTHER SERVICES EXPENSES

| | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Facility management expenses | **60,526** | 39,877 |
| Maintenance and utilities expense | **16,643** | 30,521 |
| Staff costs | **12,439** | 27,798 |
| Hotel operation costs | **13,780** | 15,444 |
| Depreciation | **11,862** | 9,091 |
| Other expenses | **6,069** | 3,221 |
| | **121,319** | 125,952 |

### 20 PROFIT ON SALE OF PROPERTY AND CONSTRUCTION SERVICES

| | *30 June 2026 (Reviewed) QR'000* | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Revenue from construction services | **-** | 10,520 |
| Sale of properties | **89,785** | - |
| | **89,785** | 10,520 |
| Cost of construction services | **-** | (9,608) |
| Cost of sale of properties | **(83,419)** | - |
| | **(83,419)** | (9,608) |
| | **6,366** | 912 |

# Notes to the interim condensed consolidated financial statements

## 21 NET REVERSAL/ (LOSS) OF IMPAIRMENT

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| **Impairment losses**: | | |
| Cash and bank balances (Note 5) | (70) | (157) |
| Trade receivables (Note 6) | (15,533) | (34,957) |
| Other receivables | (72) | (7,837) |
| Property, plant and equipment | (3,843) | (3,630) |
| Investment in equity accounted investees (Note 12) | (3) | - |
| Due from related parties | (218) | (150) |
| **Reversal of impairment**: | | |
| Cash and bank balances (Note 5) | 5 | 847 |
| Trade receivables (Note 6) | 17,689 | 22,340 |
| Other receivables | - | 1,404 |
| Advances for projects and investments | 9,646 | - |
| Investment in equity accounted investees (Note 12) | 3,437 | - |
| Net reversal / (loss) of impairment | 11,038 | (22,140) |

*Impairments are summarised as follows:*

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| Net reversal / (loss) of impairment on financial assets | 1,801 | (18,510) |
| Net reversal / (loss) of impairment on non-financial assets | 9,237 | (3,630) |
| | 11,038 | (22,140) |

*Impairments for the period are classified as follows:*

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| Net reversal / (loss) of impairment for operating activities | 7,604 | (22,140) |
| Net reversal of impairment for investing activities | 3,434 | - |
| | 11,038 | (22,140) |

## 22 OTHER INCOME

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| Other income | 37,193 | 34,828 |

# Notes to the interim condensed consolidated financial statements

## 23 NET FINANCE COST

| | 30 June 2026 (Reviewed) QR'000 | 30 June 2025 (Reviewed) QR'000 |
|---|---|---|
| ***Finance costs*** | | |
| Finance costs on Islamic finance contracts | **(293,971)** | (322,323) |
| Less: capitalised finance costs | **5,075** | 10,011 |
| | **(288,896)** | (312,312) |
| Unwinding of deferred finance cost | **-** | (1,816) |
| Finance cost - lease liabilities (Note 16) | **(5,265)** | (4,996) |
| Finance costs for the period | **(294,161)** | (319,124) |
| ***Finance income*** | | |
| Income from Murabaha and Islamic deposits | **22,843** | 43,598 |
| Others | **14,004** | 16,525 |
| Finance income for the period | **36,847** | 60,123 |
| Net finance cost for the period | **(257,314)** | (259,001) |

## 24 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period as follows:

| | *For the six months ended 30 June* | |
|---|---|---|
| | ***2026 (Reviewed)*** | *2025 (Reviewed)* |
| Profit attributable to owners of the Parent (QR'000) | | |
| Continuing operations | **458,850** | 559,528 |
| Discontinued operations | **453** | 638 |
| | **459,303** | 560,166 |
| Ordinary shares authorized, issued and fully paid (thousands) | **3,891,246** | 3,891,246 |
| Weighted average number of shares outstanding during the period (thousands) | **3,891,246** | 3,891,246 |
| **Basic and diluted earnings per share (QR)** | **0.1180** | 0.1441 |
| **Basic and diluted earnings per share for continuing operations (QR)** | **0.1179** | 0.1440 |

There were no potentially dilutive shares outstanding at any time during the period and therefore the diluted earnings per share are equal to the basic earnings per share.

# Notes to the interim condensed consolidated financial statements

## 25 OTHER RESERVES

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Fair value reserve (i) | **(131,348)** | (131,511) |
| Translation reserve (ii) | **(172,879)** | (166,088) |
| Other reserve | **1,034** | 1,034 |
| | **(303,193)** | (296,565) |

**(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.

**(ii) Translation reserve:**
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of assets and liabilities that form part of Group's net investment in foreign operations. This reserve is not available for distribution.

## 26 CONTINGENT LIABILITIES

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

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Bank guarantees | **113,277** | 153,953 |

**Litigations and claims**

During the period, 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 interim condensed consolidated financial statements.

## 27 COMMITMENTS

| | 30 June 2026 (Reviewed) QR'000 | 31 December 2025 (Audited) QR'000 |
|---|---|---|
| Contractual commitments to contractors and suppliers for properties under development | **159,169** | 142,748 |

# Notes to the interim condensed consolidated financial statements

## 28 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 28.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value profit rate risk, cash flow profit rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no changes in the risk management policies since the year end.

### 28.2 Liquidity risk

There were no new obligations under Islamic finance contracts obtained during the period.

### 28.3 Fair value estimation

The carrying amounts of the Group's financial assets as at 30 June 2026 and 31 December 2025 approximate their fair value.

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of assets by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

Financial assets at fair value through other comprehensive income amounting to QR 961,680 thousand (31 December 2025: QR 816,082 thousand) are unquoted equity securities carried at fair value. Information for such investments is usually limited to periodic investment performance reports from the investment managers. Management has performed a review of its unquoted equity investments to assess the value of these investments. Based on the latest financial information available in respect of these investments and their operations, management is of the view that the fair value of these investments as at 30 June 2026 does not materially differ from the fair value on 31 December 2025 had the fair valuation been carried out on that date.

As at 30 June 2026 and 31 December 2025, the Group held the following classes of assets measured at fair value:

| | | *30 June 2026 (Reviewed)* | | | |
|---|---|---|---|---|---|
| | | *Fair value measurement using* | | | |
| | *Date of valuation* | *Total QR'000* | *Quoted prices in active markets Level 1 QR'000* | *Significant observable inputs Level 2 QR'000* | *Significant unobservable inputs Level 3 QR'000* |
| **Assets measured at fair value:** | | | | | |
| Investment properties (Note 10) | **30 Jun 2026** | **32,055,953** | **-** | **-** | **32,055,953** |
| Financial assets at fair value through other comprehensive income | | | | | |
| Quoted equity shares | **30 Jun 2026** | **10,853** | **10,853** | **-** | **-** |
| Unquoted equity shares | **30 Jun 2026** | **950,827** | **-** | **-** | **950,827** |
| Financial assets at fair value through profit or loss | | | | | |
| Quoted equity shares | **30 Jun 2026** | **129,065** | **129,065** | **-** | **-** |

# Notes to the interim condensed consolidated financial statements

## 28 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 28.3 Fair value estimation (continued)

| | | *31 December 2025 (Audited)* | | | |
|---|---|---|---|---|---|
| | | *Fair value measurement using* | | | |
| | *Date of valuation* | *Total QR'000* | *Quoted prices in active markets Level 1 QR'000* | *Significant observable inputs Level 2 QR'000* | *Significant unobservable inputs Level 3 QR'000* |
| Assets measured at fair value: | | | | | |
| Investment properties (Note 10) | 31 Dec 2025 | 32,010,374 | - | - | 32,010,374 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Quoted equity shares | 31 Dec 2025 | 11,367 | 11,367 | - | - |
| Unquoted equity shares | 31 Dec 2025 | 804,715 | - | - | 804,715 |
| Financial assets at fair value through profit or loss | | | | | |
| Quoted equity shares | 31 Dec 2025 | 130,750 | 130,750 | - | - |

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

## 29 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 leases condominiums, villas, retail shops, warehouses, workshops and plots of land. Business services segment provides business support services and other services comprise cooling 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 loss.

**Operating segments**

The operating segments are presented as follows:

For the six months ended 30 June 2026 (Reviewed):

| | *Real Estate QR'000* | *Business services QR'000* | *Other services QR'000* | *Eliminations QR'000* | *Total QR'000* |
|---|---|---|---|---|---|
| **Revenues and gains** | | | | | |
| - External parties | **988,137** | **101,719** | **123,769** | **-** | **1,213,625** |
| - Internal segments | **32,267** | **67,606** | **-** | **(99,873)** | **-** |
| **Total revenues and gains** | **1,020,404** | **169,325** | **123,769** | **(99,873)** | **1,213,625** |
| **Segment profit** | **615,929** | **86,887** | **59,916** | **-** | **762,732** |
| Share of results from equity accounted investees | **-** | **-** | **1,707** | **-** | **1,707** |
| -Finance cost | **(275,645)** | **(13,150)** | **(5,366)** | **-** | **(294,161)** |
| -Net reversal of impairment | **11,356** | **(1,442)** | **1,124** | **-** | **11,038** |
| -Depreciation and amortisation | **(8,727)** | **(1,828)** | **(7,036)** | **-** | **(17,591)** |
| **Net profit for the period from continuing operation** | **342,913** | **70,467** | **50,345** | **-** | **463,725** |

## Notes to the interim condensed consolidated financial statements

### 29 SEGMENT INFORMATION (CONTINUED)

**Operating segments (continued)**

For the six months ended 30 June 2025 (Reviewed):

| | *Real Estate* | *Business services* | *Other services* | *Eliminations* | *Total* |
|---|---|---|---|---|---|
| | *QR'000* | *QR'000* | *QR'000* | *QR'000* | *QR'000* |
| Revenues and gains | | | | | |
| - External parties | 1,002,296 | 129,640 | 108,327 | - | 1,240,263 |
| - Internal segments | 25,126 | 68,421 | - | (93,547) | - |
| Total revenues and gains | 1,027,422 | 198,061 | 108,327 | (93,547) | 1,240,263 |
| Segment profit | 796,292 | 40,863 | 77,614 | 2,852 | 917,621. |
| -Finance cost | (293,581) | (16,752) | (8,791) | - | (319,124) |
| -Net impairment reversal / (losses) | 2,433 | (13,993) | (10,580) | - | (22,140) |
| -Depreciation and amortisation | (4,516) | (1,392) | (10,169) | - | (16,077) |
| Net profit for the period from continuing operation | 500,628 | 8,726 | 48,074 | 2,852 | 560,280 |

*Note:*

*(i)* Inter-segment revenues and gains are eliminated at the consolidated level.

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2026 and 31 December 2025:

| ***At 30 June 2026 (Reviewed)*** | ***Real estate*** | ***Business services*** | ***Other services*** | ***Eliminations*** | ***Total*** |
|---|---|---|---|---|---|
| | ***QR'000*** | ***QR'000*** | ***QR'000*** | ***QR'000*** | ***QR'000*** |
| **Current assets** | **3,544,213** | **388,455** | **37,145** | **-** | **3,969,813** |
| **Non-current assets** | **32,896,746** | **1,526,096** | **162,696** | **(1,232,831)** | **33,352,707** |
| **Total assets** | **36,440,959** | **1,914,551** | **199,841** | **(1,232,831)** | **37,322,520** |
| **Current liabilities** | **(2,308,983)** | **(139,271)** | **(56,236)** | **-** | **(i) (2,504,490)** |
| **Non-current liabilities** | **(12,419,808)** | **(893,168)** | **(91,769)** | **1,313,156** | **(12,091,589)** |
| **Total liabilities** | **(14,728,791)** | **(1,032,439)** | **(148,005)** | **1,313,156** | **(14,596,079)** |

| *At 31 December 2025 (Audited)* | *Real estate* | *Business services* | *Other services* | *Eliminations* | *Total* |
|---|---|---|---|---|---|
| | *QR'000* | *QR'000* | *QR'000* | *QR'000* | *QR'000* |
| 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 | 36,459,215 | 1,982,511 | 250,860 | (1,228,300) | 37,464,286 |
| Current liabilities | (2,166,666) | (202,749) | (40,720) | - | (i) (2,410,135) |
| Non-current liabilities | (13,046,707) | (860,803) | (160,210) | 2,042,854 | (12,024,866) |
| Total liabilities | (15,213,373) | (1,063,552) | (200,930) | 2,042,854 | (14,435,001) |

(i) The Group is currently in the process of negotiating the rescheduling of part of the obligations to enhance the Group's liquidity.

## Notes to the interim condensed consolidated financial statements

### 29 SEGMENT INFORMATION (CONTINUED)

**Geographic segments**

The geographic segments in 2026 are presented as follows:

- 99 % of the Group's assets are located in the State of Qatar.
- 99 % of the Group's revenues have been generated in the State of Qatar.
- 98 % of the Group's net profit has been recognized in the State of Qatar.

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

| | Revenue from external parties | | Non-current assets | |
|---|---|---|---|---|
| | 30 June 2026 QR'000 | 30 June 2025 QR'000 | 30 June 2026 QR'000 | 31 December 2025 QR'000 |
| State of Qatar | **1,178,146** | 1,208,714 | **33,077,748** | 33,041,812 |
| Other GCC countries | **3,963** | 20,414 | **187,698** | 187,753 |
| Europe & North Africa | **2,793** | 11,135 | **87,261** | 94,404 |
| | **1,184,902** | 1,240,263 | **33,352,707** | 33,323,969 |

### 30 DIVIDENDS

The shareholders of the Parent Company approved at the Annual General Meeting (AGM) held on 8 March 2026 a cash dividend of QR 0.18 per share, amounting to QR 700,424 thousand from the profit of 2025 (2025: AGM held on 10 March 2025 approved a cash dividend of QR 0.18 per share, amounting to QR 700,424 thousand from the profit of 2024).

### 31 TAX EXPENSES

Income tax and zakat expense are analysed as follows:

| | 30 June 2026 QR'000 | 30 June 2025 QR'000 |
|---|---|---|
| Pillar Two taxes - Qatar (i) | **(37,480)** | - |
| Pillar Two taxes – Outside Qatar (i) | **(740)** | - |
| Income tax (ii) | **(3,999)** | (5,765) |
| | **(42,219)** | (5,765) |

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.

## Notes to the interim condensed consolidated financial statements

### 31 TAX EXPENSES (CONTINUED)

Note (i) (continued)

The Group has performed an assessment of its potential exposure to Pillar Two Taxes based on the annual Country-by-Country (CbC) Reports and 2026 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 Interim consolidated statement of profit or loss, financial position and cash flows.

Note (ii):

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.

### 32 MANAGEMENT-DEFINED PERFORMANCE MEASUREMENT - IFRS 18

**Overview**

The Group uses certain **management performance measures (MPMs)** to evaluate financial performance and make operational decisions.

MPMs are not defined under IFRS Accounting Standards and may not be comparable with similar measures presented by other entities.

Management believes these measures provide useful information but should not be considered in isolation.

In accordance with IFRS 18, the Group discloses:

- A description of each MPM
- Why it is used
- A reconciliation to the most directly comparable IFRS subtotal
- The related tax and non-controlling interest effects

# Notes to the interim condensed consolidated financial statements

## 32 MANAGEMENT-DEFINED PERFORMANCE MEASUREMENT - IFRS 18 (CONTINUED)

### [A] Funds From Operations (FFO)

*Definition and rationale:*

FFO measures the cash-generating ability of the Group's real estate portfolio by excluding non-cash fair value movements and gains/losses on disposals.

Management uses FFO to:

- Assess recurring rental performance
- Evaluate dividend capacity
- Monitor operating efficiency

| *Reconciliation to IFRS results:* | ***30 June 2026 (Reviewed) QR'000*** | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Profit for the period (IFRS) | **464,178** | 560,918 |
| Add: | | |
| Depreciation and amortisation | **17,591** | 16,077 |
| Less: | | |
| Net fair value gain on investment properties | **(60,887)** | (288,396) |
| **Funds From Operations** | **420,882** | 288,599 |
| *Tax and NCI effect:* | | |
| Tax effect of adjustments | **(2,639)** | (2,412) |
| Non-controlling interest effect | **46** | 85 |

### [B] Adjusted EBITDA

*Definition and rationale:*

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring and non-operating items.

Management uses this measure to:

- Evaluate operational performance
- Compare performance across periods

## Notes to the interim condensed consolidated financial statements

### 32 MANAGEMENT-DEFINED PERFORMANCE MEASUREMENT - IFRS 18 (CONTINUED)

**[B] Adjusted EBITDA (continued)**

| *Reconciliation to IFRS results:* | ***30 June 2026 (Reviewed) QR'000*** | *30 June 2025 (Reviewed) QR'000* |
|---|---|---|
| Profit before tax (IFRS) | **505,944** | 566,045 |
| Add: | | |
| Finance cost | **294,161** | 319,124 |
| Depreciation and amortisation | **17,591** | 16,077 |
| Less: | | |
| Net fair value gain on investment properties | **(60,887)** | (288,396) |
| **Adjusted EBITDA** | **756,809** | 612,850 |

*Explanation of adjustments:*

- Fair value gains/losses are excluded as they are non-cash and volatile
- Disposal gains/losses are excluded as they are non-recurring

## Notes to the interim condensed consolidated financial statements

### 33 SIGNIFICANT EVENTS

During the six-month period ended 30 June 2026, military conflict in the Middle East affected several GCC countries, including Qatar, resulting in disruptions to regional airspace, transport routes and certain infrastructure.

While the Group's interim consolidated statement of financial position as at 30 June 2026 has not been materially affected, the conflict has created operational challenges and increased uncertainty in the business environment. Management continues to continuously monitor developments and assess any potential impact on the Group's operations, financial performance and cash flows.

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

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

| | ***30 June 2026 (Reviewed) QR'000*** | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| Investments in equity securities : | | |
| Quoted | **10,853** | 11,367 |
| Unquoted | **950,827** | 804,715 |
| | **961,680** | 816,082 |

**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:

| | ***30 June 2026 (Reviewed) QR'000*** | *31 December 2025 (Audited) QR'000* |
|---|---|---|
| At beginning of the period / year | **804,715** | 212,874 |
| Addition during the period / year | **244,400** | 591,776 |
| Disposal during the period / year | **(95,911)** | - |
| Fair value (loss) / gain | **(2,377)** | 65 |
| At end of the period / year | **950,827** | 804,715 |