



Estithmar Holding is a dynamic group of companies offering reliable, sustainable and quality services to companies across a diverse range of sectors. From healthcare to industries and contracting to ventures and services, we relentlessly pursue excellence and innovation, increasing value to businesses who can advance that value to their end-users.



www.estithmarholding.com





His Highness
Sheikh Tamim bin Hamad Al Thani
Emir of the State of Qatar



His Highness
Sheikh Hamad bin Khalifa Al Thani
The Father Emir



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Vision Mission

VISION

Creating a brighter future from Qatar to the world

MISSION

We add exceptional value to our customers through the skills and knowledge of our employees

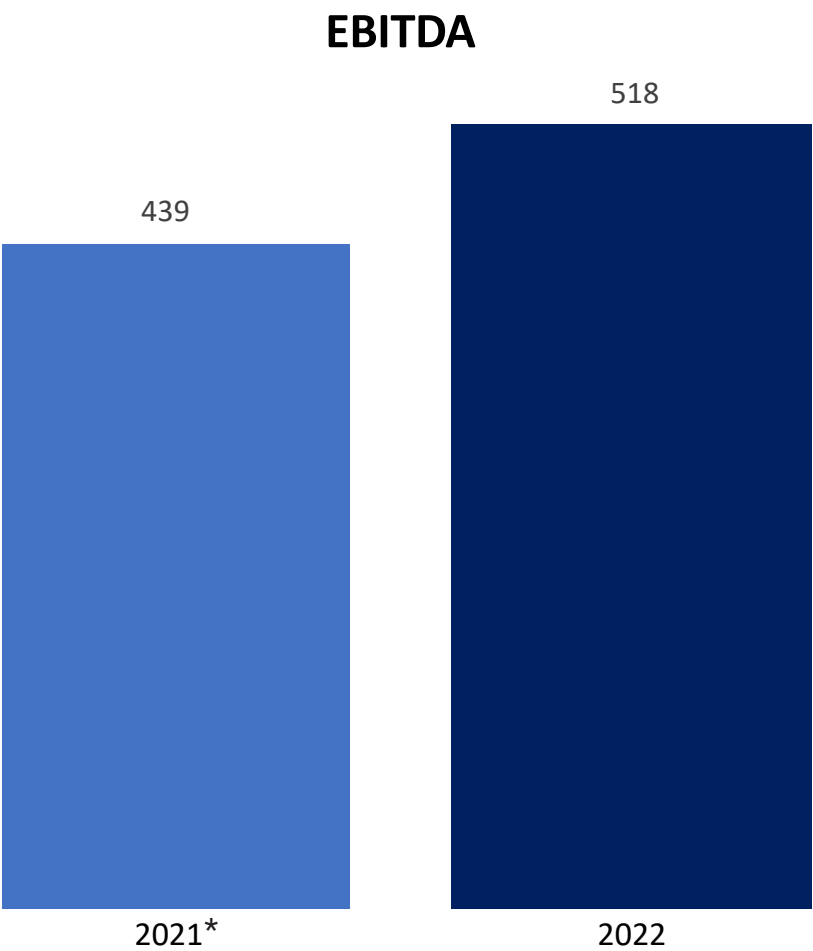
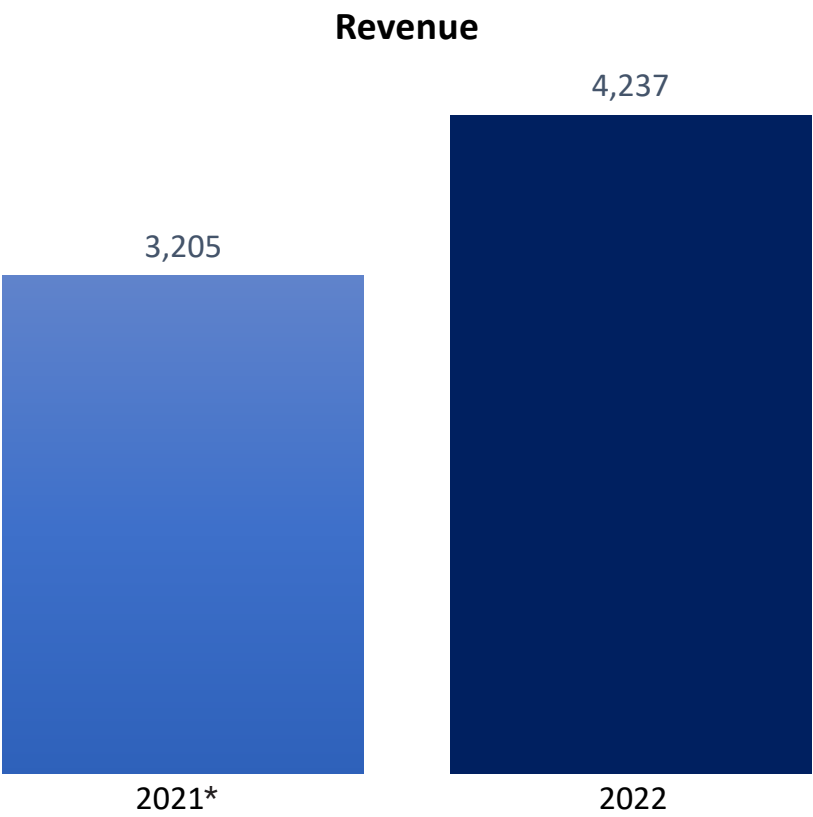
VALUES

Leadership
Collaboration
Accountability
Quality
Resilience

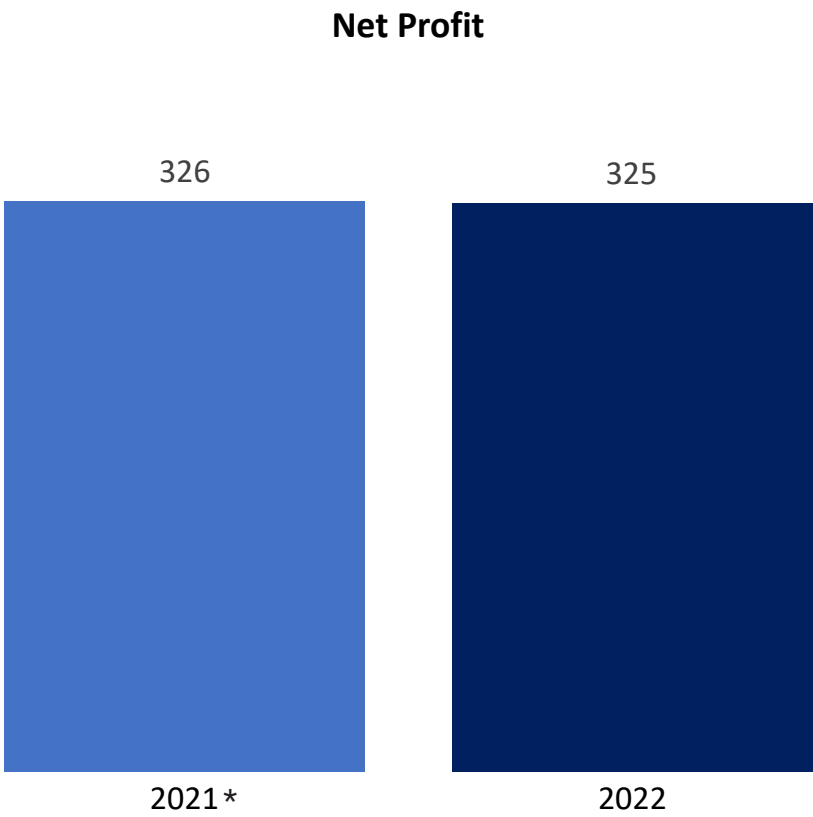
GUIDING PRINCIPLES

Preserve Corporate Reputation
Corporate Social Responsibility
Develop Future Leaders
Promote Innovation
Inspire Trust
Improve Agility

KEY FINANCIALS



* Represent the period from november 03 2020 (Inception Date) to December 31, 2021



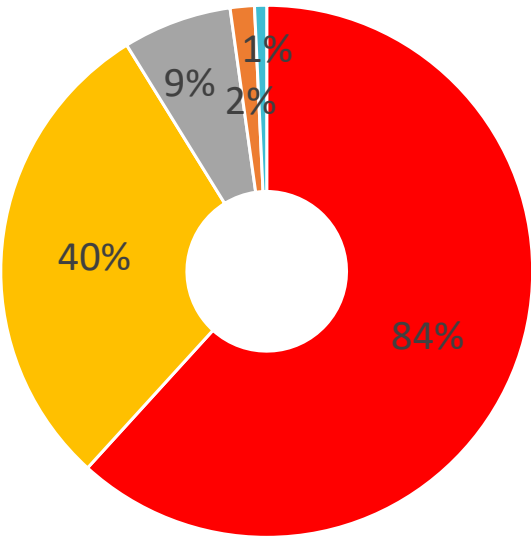
* Represent the period from november 03 2020 (Inception Date) to December 31, 2021

TOTAL ASSETS
8,729_{mn QAR}
Liabilities
4,269_{mn QAR}

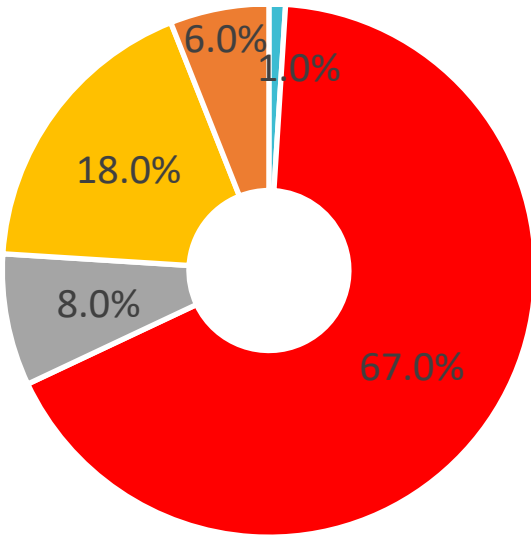
EQUITY
4,460_{mn QAR}
Return on Equity
7.3%

COMPANY HIGHLIGHTS

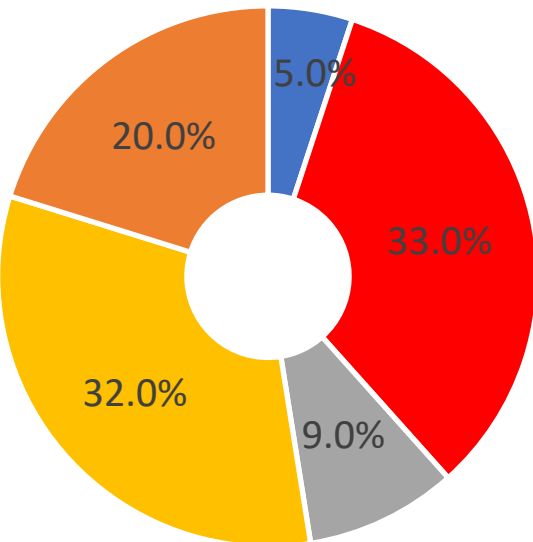
Revenue



EBITDA



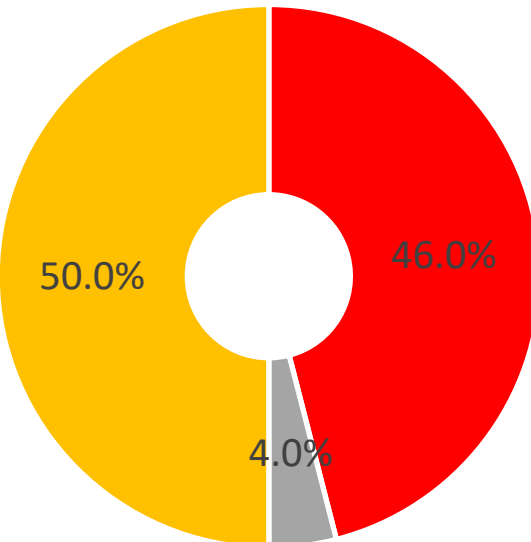
Assets*



*Assets employed by segments

Work-In-Hand*

QAR 3.2bn



*Contracts secured to be delivered in 2023

Services Contracting Industries Healthcare Ventures



10
Number of Companies
QAR 2,300 million
2022 Revenue
QAR 295 million
2022 NP
48%
contribution to Group Revenue



10
Number of Companies
QAR 1,940 million
2022 Revenue
QAR 68 million
2022 NP
40%
contribution to Group Revenue



11
Number of Companies
QAR 446 million
2022 Revenue
QAR 27 million
2022 NP
9%
contribution to Group Revenue



4
Number of Companies
QAR 37 million
2022 Revenue
QAR 3 million
2022 NP
1%
contribution to Group Revenue



6
Number of Companies
QAR 104 million
2022 Revenue
QAR 16 million
2022 NP
2%
contribution to Group Revenue

Presented numbers are before elimination and consolidation

Chairman Statement



Moutaz Al-Khayyat
Group Chairman

▶ Transformative acquisition boosts future prospects

2022 saw a major transformation of our business, a defining moment in the history of Estithmar Holding. We finalized a major acquisition that led by way of a reverse acquisition that led to the launch of Estithmar Holding marking a substantial new growth for the business with entry to a greater and more diverse clientele in Qatar and potential openings for regional and international expansion.

Estithmar Holding was established as a dynamic company with a mandate to deliver reliable, sustainable and high-quality services to companies across a wide range of sectors, including services, contracting, industries, ventures, and healthcare. Our aim is to create a positive impact on the national economy, local society, and add value to our stakeholders so they are able to pass on that value on to their customers. By offering such a wide range of services across different sectors, Estithmar Holding is able to meet the diverse needs of its customers. Indeed, we assist companies to become leaders in their field.

The group is adopting a new business model instead of the conventional way of doing business that offers a more holistic, modern, and quantifiable customer-centric approach. This approach has multitude benefits as it enables us to understand our customers better, anticipate their needs, and deliver services that meet and exceed their expectations. Using the strategic advantage of our diverse portfolios, we aim to evolve towards a higher-margin service economy.

At the same time, expanding our projects portfolio to promising international markets, such as Saudi Arabia, Algeria, Egypt, and other countries, is a strategic pillar for the Group which can drive our future growth. This expansion will enable Estithmar Holding to tap into new markets, offer our services to a broader audience and increase our revenue.

Looking ahead, Qatar's 2030 Vision offers several new service areas within healthcare, services, and hospitality that the Group can exploit. Estithmar Holding aims to support the government's agenda and enable the core pillars of the national vision. By offering our services in these new areas, we aim to contribute to Qatar's overall economic and social development.

Vice Chairman Statement



Ramez Al-Khayyat
Vice Chairman

Corporate Strategy expands potential

With the support of our key shareholders the business has evolved over the years from operating units within the shareholder's group of companies to become Estithmar Holding, an industrial leader in Qatar's economy. The past year has seen us building on our successful track record and strong industry presence after becoming a QPSC. Renowned for our speed of execution and the quality of our work, over the past two years we have developed a high growth corporate strategy to cement our future as a major player in the contracting ecosystem through our joint ventures. Initially the strategy took off when Estithmar Holding formed the Elegancia Group in 2020 to take the lead in the industrial sector for the construction industry. This marked a decisive moment in the company's history. The following year in 2021, the company launched a new healthcare cluster in line with Qatar's 2030 vision, comprising three medical facilities in Qatar with acclaimed international affiliations and one in Algeria.

In 2021, Estithmar Holding also announced the establishment of Estithmar Ventures to deliver targeted local investment in the tourism and hospitality sector with the launch of four strategic tourism projects in anticipation of the Qatar FIFA 2022 World Cup. Elegancia Services cluster followed with five business units in facilities management, catering, resources, material supplies and manpower. Elegancia Contracting cluster later formed seven business units to offer a Grade A MEP service provider, a landscape contractor, offshore marine and logistics services and several more. In this way our strategy has swiftly seen us diversifying our portfolio and growing revenue from new markets and business streams as well as building strategic partnerships in new service sectors.

Finally, in April 2022, Estithmar Holding became a public company through the reverse acquisition of IHG. This involved a strategic rationalisation of the business into 45 different companies in five sectors to increase shareholder value and create a more effective and dynamic framework.

Our overall approach is governed by our key values of consumer centric principles, focusing on high-quality people, effective processes and technology platforms. We believe that our people are our most valuable asset and the backbone of our business as they bring skills, knowledge and experience to bear. Our top priority is taking care of them offering training development and engagement to attract and retain them. Creating an engaging supportive and collaborative culture is key to our success in maintaining a highly skilled and motivated workforce.

Our experts understand our clients' businesses, so we can create strategic, custom solutions that meet their industry needs. Estithmar Holding's track record of success and past results is testament to the way we prioritise the needs of customers to create significant value for stakeholders.

We also actively promote the sustainable development of communities through adherence to environmental, social and corporate governance.

Estithmar Holding is now a consortium of 45 professional service companies, 5 Clusters and 38,000 staff. The Group believes that its diversification expansion will ensure that it is well positioned to capture growth opportunities within the "new economy". The Group's aim moving forward is to support the Government's agenda and enable the core pillars of the Qatar National Vision 2030, whilst diversifying the Group's end-client mix.

CEO Statement



Henrik Christiansen
Group Chief Executive Officer

I am delighted to share our extraordinary achievements in 2022. We have made excellent progress on developing our strategic objectives: focusing on international expansion, targeted growth in high-margin businesses, and diversification of revenue streams.

In 2022, we experienced a remarkable financial performance exceeding expectations, demonstrating the strength, resilience, and adaptability of our business. Our strategic reverse-acquisition of IHG has been a defining milestone, allowing us to merge our strengths and unlock unparalleled avenues for value creation and growth. Our unwavering commitment to supporting the 2022 FIFA World Cup has bolstered our reputation as a reliable partner, contributing to Qatar's growth and prosperity.

We have made significant investments in our newly formed Healthcare and Ventures Clusters. The View Hospital, developed in affiliation with Cedars-Sinai Medical Center, is a world-class healthcare facility in Qatar. Al Maha Island, a breathtaking destination within our Ventures Cluster, opened its doors in Q4 2022, featuring the enchanting Lusail Winter Wonderland and exceptional dining experiences. We also unveiled opulent resorts, such as Maysan LXR Hilton and Katara Hills LXR Hilton.

Looking ahead, we are excited about our state-of-the-art Korean Medical Center, opening in 2023, and the luxurious Rosewood Resort Maldives, scheduled to open in 2025. Our international expansion plans for 2023 include entering the Saudi Arabian market and launching a cutting-edge Modular construction business. We are also actively assessing lucrative opportunities in Algeria and Egypt, particularly in the rapidly evolving Healthcare sector.

Our strategic vision centers on international expansion, leveraging our expertise to penetrate new markets and capitalize on emerging opportunities. We are committed to developing high-margin businesses in Healthcare and Ventures while diversifying revenue streams for long-term success.

At Estithmar Holding QPSC, our people are the driving force behind our success. We invest in their development, nurturing talent, and providing opportunities for growth and advancement. Our diverse workforce, comprising professionals from over 60 nationalities, fosters a dynamic and inclusive environment that promotes innovation and exceptional performance.

Estithmar Holding QPSC's achievements in 2022 reflect the dedication and hard work of our team, the trust of our shareholders, and the support of our partners. As we forge ahead, we remain committed to seizing new opportunities, diversifying revenue streams, and investing strategically while prioritizing the growth and development of our people. We are grateful for the unwavering support and trust of our shareholders, employees, partners, and customers and look forward to an exciting journey ahead, striving for excellence and delivering exceptional value for all stakeholders.



Financial Discussion & Analysis

► **Estithmar Holding** recorded a revenue of QR 4.2 billion, marking an impressive growth of 32% (54% if compared to a twelve month annualization of 2021*) against the prior year. The Contracting and Services Clusters were the biggest contributors to this large growth in revenue, representing 40% and 48% of the Group's revenue, respectively. The solid revenue growth was driven by underlying ongoing business, which continued to grow organically, complemented by additional demand in the lead up to the FIFA World Cup 2022.

The new Healthcare and Ventures clusters made a modest contribution of 3% combined, reflecting that their operations began late in the year. However, we expect these clusters to increase in prominence from 2023 onwards. Despite this, Estithmar Group's EBITDA increased by 18% (38% if compared to a twelve month annualization of 2021*) to QR 518 million in 2022, highlighting our focus on higher margin segments such as Human Resources and Facilities Management. The Services Cluster contributed 67% of the Group's EBITDA, while the Contracting and Industries clusters made healthy contributions to Group EBITA at 23% and 8%, respectively.

The overall growth in EBITDA reflects not only healthy gross profit but also well-controlled costs, with efficiencies and economies of scale realized during the year. These results led to an Operating Cashflow of QR 426 million, driven by prudent management of working capital. Revenue growth-driven increases in Accounts Receivable were more than offset by the combination of a corresponding reduction in Inventories and an increase in Accounts Payable. However, EBITDA did not fully convert to Operating Cashflow due to timing differences in expenditures supporting the large upsurge in activities in the second half of the year and the payment from customers for these activities.

Overall Cashflow was QR 110 million, reflecting investing outflows of QR 1.1 billion to support major new projects, particularly in the Healthcare and Ventures clusters, which were completed in the second half of 2022. However, this was mostly offset by QR 817 million of financing inflows to partially fund these investments.

* 2021 represents the period 03 November 2020 - 31 December 2021, 14 months annualized adjusts this to allow the numbers to be directly compared

Board Members



Mr. Moutaz Al-Khayyat
Chairman



Mr. Ramez Al-Khayyat
Vice Chairman
Chair, Executive Committee



Mr. Mohammed Ghanim S Al Hodifi Al-Kuwari*
Board Member



Mr. Eyad Abdulrahim
Board Member
Managing Director



Mr. Khalid Ghanim S Al-Hodifi Al-Kuwari
Board Member



Mr. Mohamad Mohamad Sadiq Al-Dawamaneh
Board Member



Sheikh Suhaim Bin AbdulAziz Al Thani
Independent Board Member



Mr. Hamad Ghanim S Al-Hodifi Al-Kuwari
Board Member



Mr. Abdulla Darwish Al Darwish
Independent Board Member
Chair, Audit & Risk Management Committee



Dr. Bothaina Al Ansari
Independent Board Member
Chair, Nomination & Remuneration Committee



Mr. Ibrahim Abdulla Al Abdulla
Independent Board Member
Member, Nomination & Remuneration Committee
Member, Audit & Risk Management Committee

Leadership



Eyad Abdul Rahim
Board Member
Managing Director



Henrik Christiansen
Group Chief Executive Officer



Nicholas McLaren
Chief Financial Officer



Joe Hazel
Chief Executive Officer
Elegancia Healthcare



Abd Almunem Al-Sakka
Chief Executive Officer
Elegancia Services



Amer Mahasen
Chief Executive Officer
Estithmar Ventures



Richard Chammas
Chief Executive Officer
Elegancia Industries & Contracting



Bassam Sayad
Chief Ventures Officer
Elegancia Healthcare



Riyad Sowaity
Group HR Director



Salem Aladbi
Government & Public
Relations Director



Hassan Harfouche
Group Strategy & Business
Planning Director



Sanaa Daakour
Group Legal Director

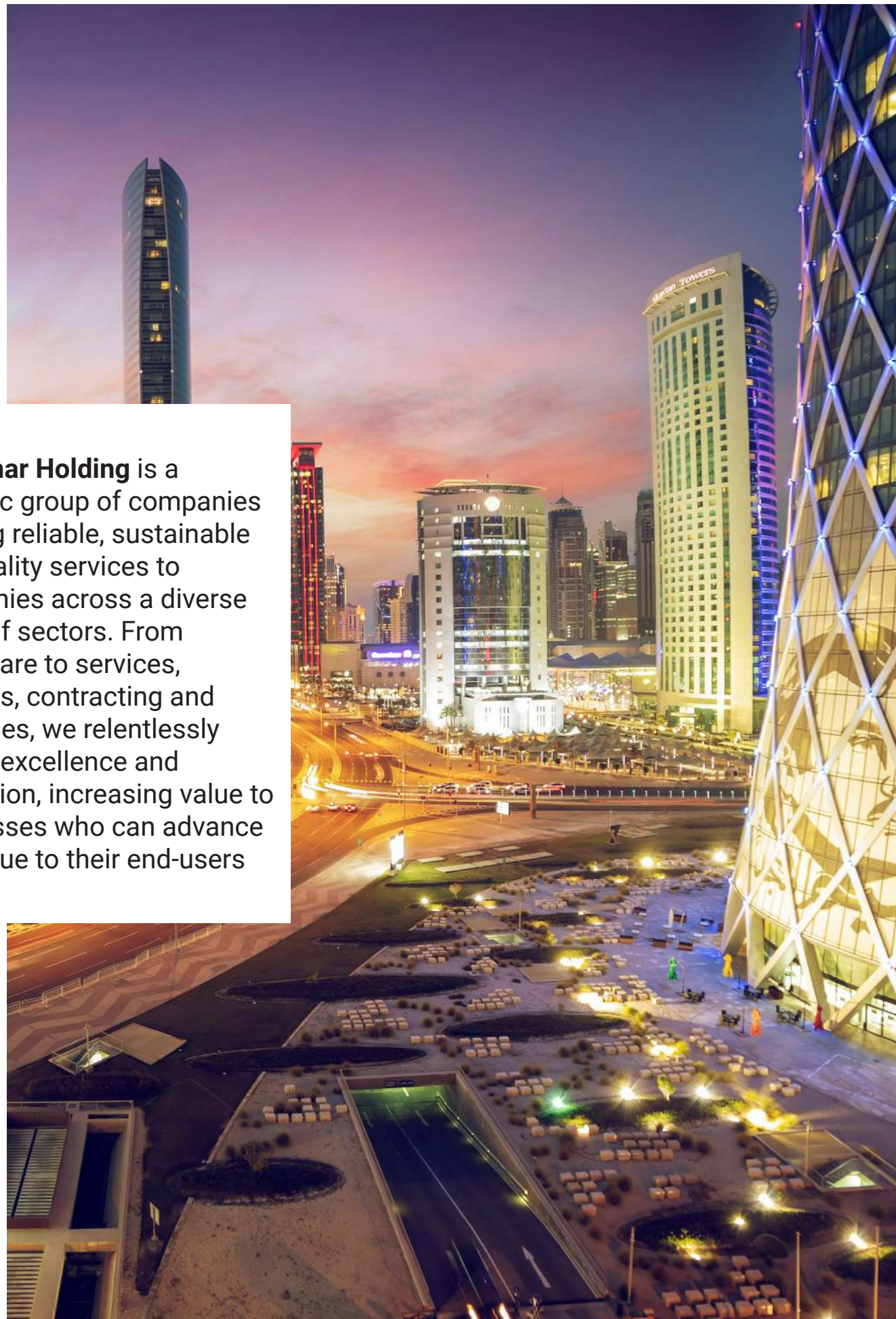


Bob Issa
Group Marketing &
Communications Director



Our Story

Estithmar Holding is a dynamic group of companies offering reliable, sustainable and quality services to companies across a diverse range of sectors. From healthcare to services, ventures, contracting and industries, we relentlessly pursue excellence and innovation, increasing value to businesses who can advance that value to their end-users



Estithmar Holding is a company with a mission to deliver comprehensive services across all pillar sectors, including services, contracting, industries, ventures, and healthcare. Our goal is to create positive impact on the national economy and local society, while also adding value to our stakeholders.

Our transformation journey began with a shift towards a modern, measurable, and customer-centric approach to doing business. We recognize the importance of providing solid and integrated service offerings while leveraging our diverse portfolios to evolve towards a higher margin service economy. At the same time, we are expanding our projects portfolio to promising international markets such as KSA, Algeria, Egypt, and other countries, which is a strategic pillar and a driving force behind our future growth.

As we look ahead to the Qatar 2030 Vision, we see many new service avenues within Healthcare, Services, and Hospitality, and we aim to support the government's agenda by enabling the core pillars of the national vision. Our people are the core capability and foundation of our organization, and we are committed to capitalizing on them by continuing to develop their skills and capabilities.

Estithmar Holding's approach to customer centricity revolves around a framework consisting of people, processes, and technology platforms. This approach is guided by a well-defined strategy and led by dedicated leadership. By prioritizing the needs of our customers, we aim to create significant value for all stakeholders, including our shareholders, customers, and employees.

By focusing on the needs of our customers, we aim to improve customer satisfaction, increase customer loyalty, and ultimately drive revenue growth. This, in turn, benefits our shareholders by increasing the company's profitability and enhancing shareholder value. In addition, a customer-centric approach can lead to higher employee satisfaction and retention rates, as happy employees are more likely to provide excellent customer service and remain committed to the company's success.

At Estithmar Holding, we are committed to providing our customers with the best possible service, while also creating positive impact on the national economy and local society. Our people are at the core of everything we do, and we will continue to invest in them to ensure their ongoing success and the success of our company.

Key
Facts

5
Clusters

45
Companies

4 Hospitals
with International Affiliations

5
Touristic Projects

+38,000
Workforce

+80,000_{sqm}
of Factories

+30
Marine Units

+250,000
Meals/Day

87%
Client Retention

Corporate Strategy

► **Estithmar Holding** was established with a mandate to deliver a comprehensive offering across all major sectors, including services, contracting, industries, ventures, and healthcare. We aim to create a positive impact on the national economy, local society, and add value to stakeholders. By offering a range of services across different sectors, Estithmar Holding is able to cater to the diverse needs of its customers.

To achieve our goals, we embarked on a journey to transform from the conventional way of doing business into embracing a more holistic, modern, and measurable customer-centric approach. This approach enables us to understand our customers better, anticipate their needs, and deliver services that meet and exceed their expectations.

The Group is transitioning into an innovative business that curates solid and integrated service offerings. Leveraging our diverse portfolios, we aim to evolve towards a higher-margin service economy. Concurrently, expanding our projects portfolio to promising international markets, including Saudi Arabia, Algeria, Egypt, and other countries, is a strategic pillar and a driving goal for our future growth. This expansion enables Estithmar Holding to tap into new markets, offer our services to a broader audience, and increase our revenue.

Looking ahead, Qatar's 2030 Vision presents several new service avenues within healthcare, services, and hospitality. Estithmar Holding aims to support the government's agenda and enable the core pillars of the national vision. By offering our services in these new service avenues, we aim to contribute to Qatar's overall development and growth.

As we believe that our people are the core capability and foundation, Estithmar Holding aims to capitalize on them by continuing to develop their skills and capabilities. We will provide our employees with the necessary tools and resources to enhance their knowledge and expertise. This approach enables Estithmar Holding to maintain a highly skilled and motivated workforce that is capable of delivering quality services to its customers.

Customer Centricity

Sustainable Growth

Diversified Service Offering

ADD VALUE TO YOUR BUSINESS & LIFE

INPUTS

Financial Capital:

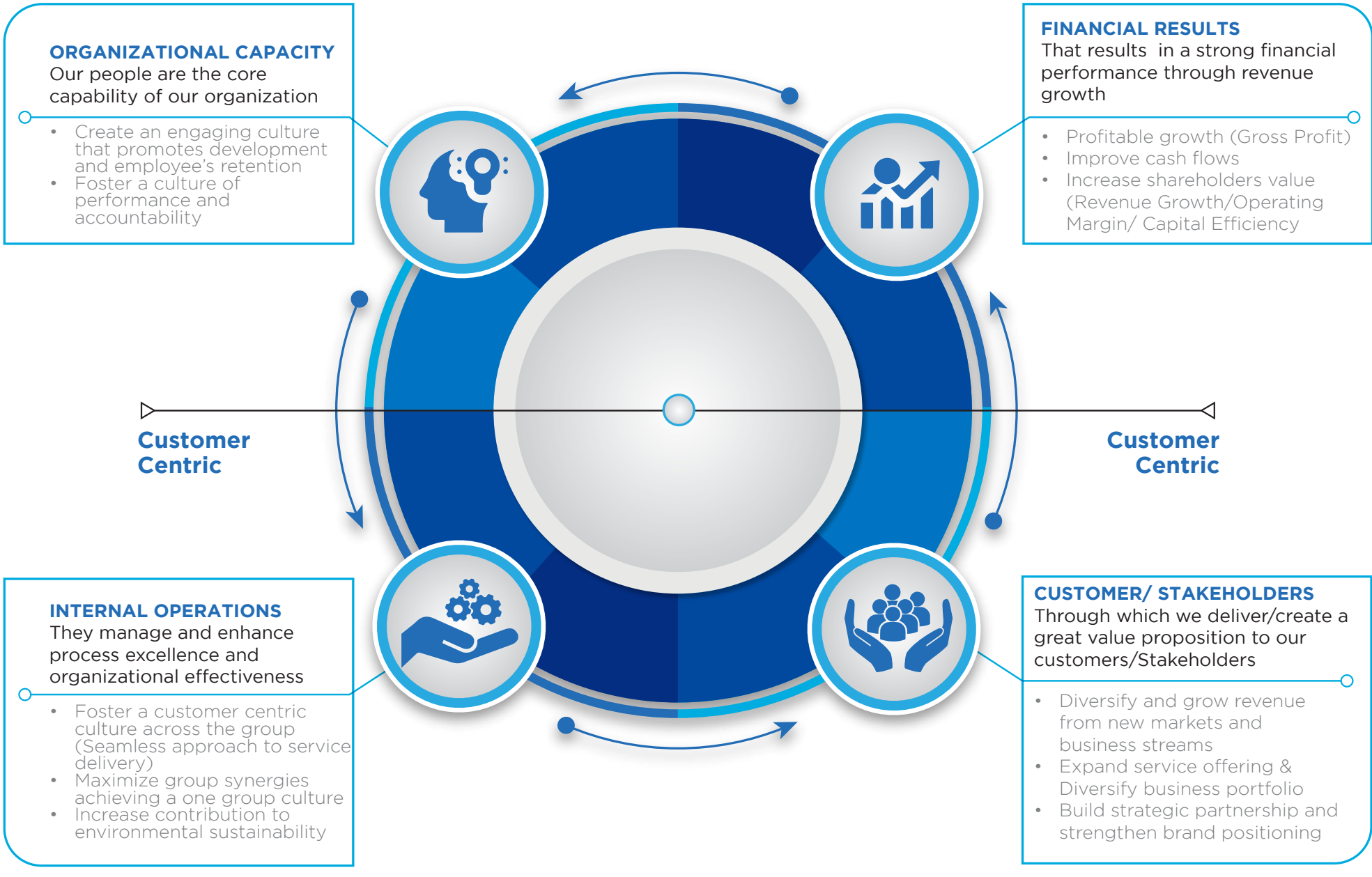
- 4.5bn Net Assets
- Listed Company

Resources/Assets:

- +38,000 workforce
- +80,000sqm Factories
- +30 Marine Units
- Technology Integration

Human Capital:

- Experienced Leadership Team
- 61 nationalities



OUTPUTS

- Revenue 4,237mn
- Net Profit 325mn
- EBITDA 518mn
- Market Capitalization 6.1bn*

Cost Efficiency

- Synergized business portfolio and support structure
- Digitalized and automated processes
- Technological innovation supported by world-class systems
- Robust Corporate Governance & Risk Management

* As of December 31th, 2022

LEADERSHIP

COLLABORATION

ACCOUNTABILITY

QUALITY

RESILIENCE

Corporate Strategy

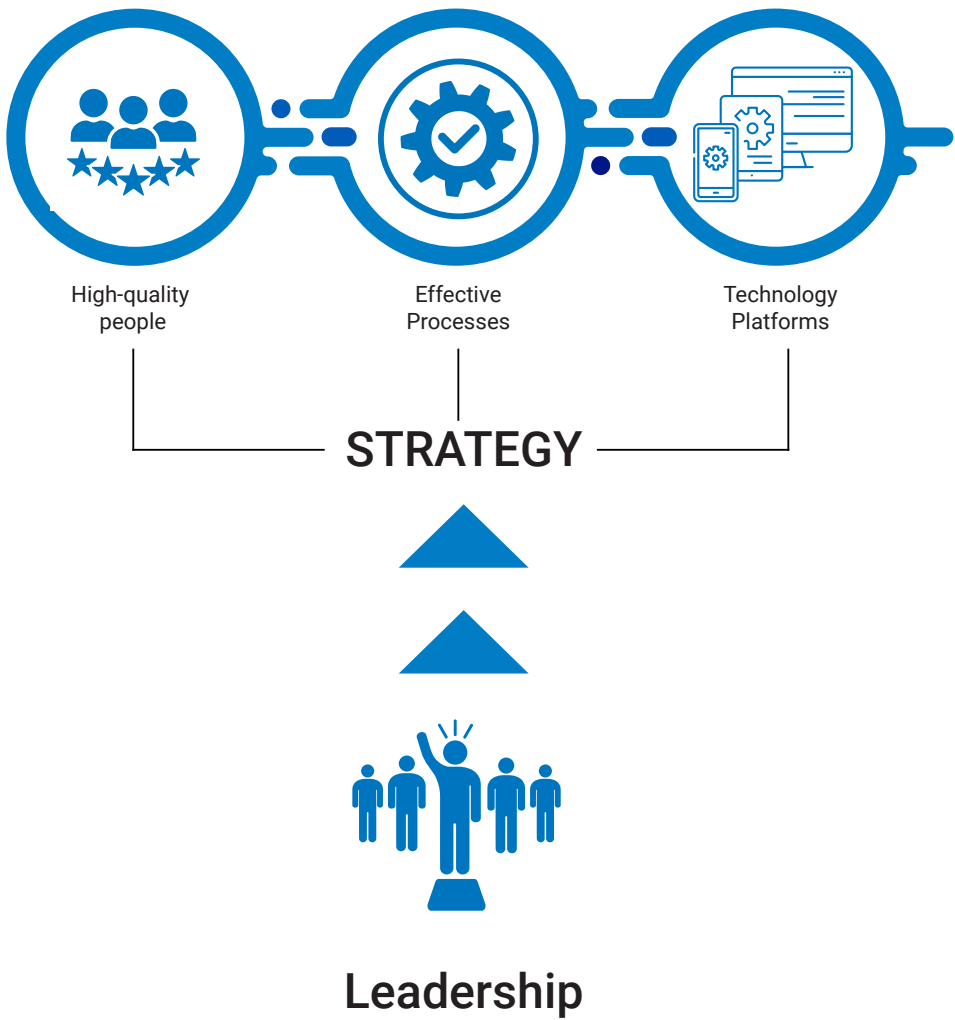
Customer Centric Framework

▶ **Estithmar Holding's** approach to customer centricity revolves around a framework consisting of people, processes, and technology platforms, guided by a well-defined strategy and led by dedicated leadership. This approach prioritizes the needs of customers and aims to understand and fulfill them in the most efficient and effective way possible. By adopting a customer-centric approach Estithmar will be able to create significant value for stakeholders, including shareholders, customers, and employees.

By focusing on the needs of our customers, we can improve customer satisfaction, increase customer loyalty, and ultimately drive revenue growth. This, in turn, benefits shareholders by increasing the company's profitability and enhancing shareholder value.

Additionally, a customer-centric approach can lead to higher employee satisfaction and retention rates. When our employees feel valued and empowered to serve customers, they are more likely to feel fulfilled in their roles and remain committed to the company's success. This can lead to a positive cycle where happy employees provide excellent customer service, which, in turn, creates loyal customers who generate more revenue for the company.

Estithmar Holding customer-centric framework evolves around people, processes, and platforms, steered by a clearly defined strategy and governed by committed leadership



Corporate Strategy Business Model

Estithmar Holding Business Model ADD VALUE TO YOUR BUSINESS & LIFE

We aim to add value to our customers projects and businesses through the knowledge and skills of our employees



Revenue Model:

- Income from developed assets
- Income from operations
- Public-Private Partnership (PPP)
- Sponsorship



Financing Model:

- Bank facilities
- Direct investors
- Sukuk
- Private placement



Customer Segments:

- Government entities
- Private & institutional investors
- Firms in targeted sectors



Our Focus:

- Investment and development in the tourism industry & bespoke opportunities
- Healthcare development
- Professional and technical solutions (MEP, Landscape, Fit-Out....)
- Industrial production (Steel, Joinery, and Stone)
- Integrated services (FM, Catering, Events, Resources, and Gabro)



Targeted Sectors:

- Entertainment & leisure
- Luxury hotels & resorts
- Healthcare
- Oil & Gas



Targeted Markets

- Qatar
- GCC
- Africa
- Far East

Corporate Strategy

Key Investment Highlights



Existing Market Positioning:
Traditional business with large / stable revenue base and growth potential (ongoing Government spending on projects, LNG expansion etc.)



Strategic Plan:
Diversified revenue streams with presence in new economy service sectors (e.g. healthcare, tourism, other services) and traditional sectors (e.g. industries, contracting)



Macroeconomic Climate:
Continued Government spending on infrastructure (non-FIFA related) through, LNG expansion, hosting major events,



Microeconomic Climate:
High per capita income, changing perception of Qatar and positioning as tourism hub, (Qatar airways network)



Healthcare Focus:
Strong emphasis behind Healthcare businesses in the Qatar Vision 2030 (aging population, increasing touch points, cosmetic surgery, lack of private capacity, defensive business, mandatory insurance)



Tourism Focus:
Support for Ventures business (Government focus on tourism businesses – 2030 target of 6 million visitors, strategic location between Asia and Europe, several planned events after FIFA – Expo 2023, Asian games)



Margin Enhancement Potential:
Increasing margins as service businesses (Services, Healthcare, Ventures) form greater part of the mix



Strong Track Record:
Founders / management with strong track record (Elegancia, PIH, Baladna)



Growing share of external businesses:
Gradual decline in reliance on revenue from associated companies (PIH and UCC) and increasing contribution of revenue from independent external sources

Corporate Strategy

Investment Capital Portfolio



Each investment opportunity brings unique experience, values, preferences to Estithmar Holding.

While investment decisions can be subjective, the most successful investments portfolio are approached with a keen sense of objectives, level of flexibility, and clarity on what constitutes “deal breakers.”

Investment should generate positive social and/or environmental impact in addition to a financial return



- FINANCIAL**
- New revenue stream
 - Cost structuring / reduction



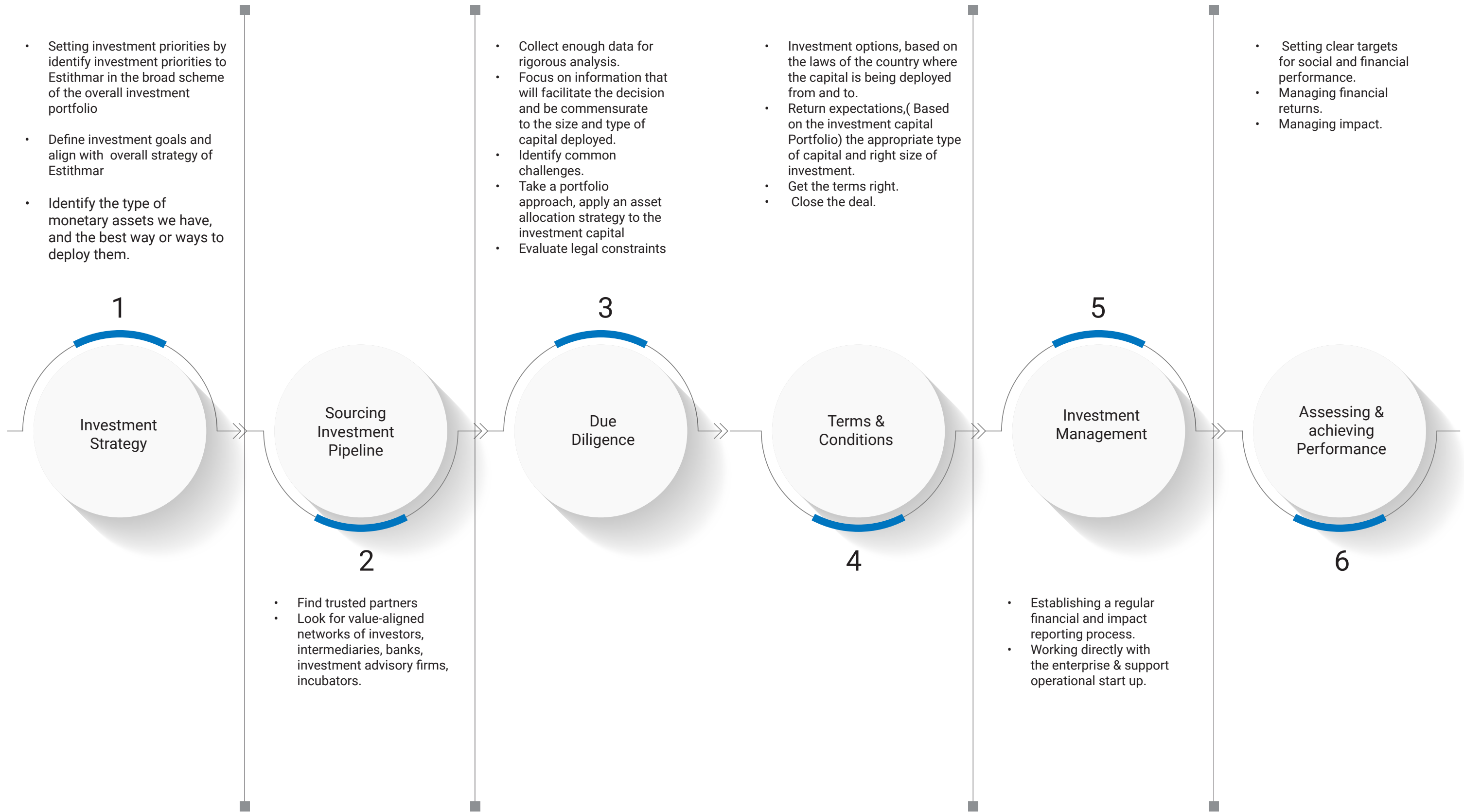
- REPUTATIONAL**
- Brand exposure
 - Social impact



- PHYSICAL EXPANSION**
- Facilities
 - Real estate holding
 - Partnership
 - Physical plant



Investment Framework



Operating Review

OVERVIEW

The year 2022 marks an important turning point in the history of Istithmar Holding Company. The legal status of the “Elegancia Group” was transferred from a limited liability company (LLC) to a Qatari public shareholding company (Q.P.S.C). Through the reverse acquisition by IHG (Investment Holding Group) with the support of our major shareholders, the business in the Elegancia Group has evolved over the years from operating units within the group of companies of the major shareholders to become one of the leading industrial pillars in the Qatari economy. In 2022, IHG “Investment Holding Group” acquired 100% of the issued share capital of Elegancia Group via reverse acquisition , which led to the creation of “Estithmar Investment Holding Q.P.S.C.” The final share capital consists of shares of QR 3,404,037,500. We believe this acquisition will continue to create a business of scale that provides access to a larger and more diversified client base within Qatar and potential opportunities for regional and international expansion in the future.

The Group has a successful track record of growth, for example, the Contracting Cluster recorded revenue of QAR 1,940 million in 2022, growing strongly from QAR 1,179 in 2021, or 64.5%. The increase was driven by completion of contracts in the lead-up to the FIFA World Cup 2022, as well as internally developed assets. Likewise, the Industries Cluster had a recorded revenue of QAR 446 million in 2022, growing from QAR 350 in 2021, or 27.4%. Growth in the Industries Cluster was driven by steady organic growth and increased demand relating to the FIFA World Cup 2022. The Contracting and Industries Clusters accounted for 42.3% and 10.4% of the Group’s revenue.

Although certain segments of the construction sector will see less activity upon completion of the FIFA World Cup 2022, construction work is nonetheless expected to continue in projects that support Qatar’s National Vision 2030. The Group expects certain economic activities to stabilize into 2023 before returning to its more historical level of growth in line with the general construction output. However, the Group already has a strong and secured revenue stream through the operation of the Services Cluster which had a recorded revenue of QAR 2,300 million in 2022, an increase of 37.4% over the QAR 1,674 million in 2021.

Furthermore, the Group has launched its Healthcare Cluster in 2020 and its Ventures Cluster in 2021 as part of its wider diversification strategy to continue developing its business portfolios to maximize shareholders’ value. The Group believes that its diversification expansion will ensure that it is well positioned to capture growth opportunities within the “new economy”. Overall, The Group’s aim moving forward is to support the Government’s agenda and enable the core pillars of the Qatar National Vision 2030, whilst diversifying the Group’s end-client mix.

Our People

We believe our people are our most valuable asset. They are the backbone of our business and contribute to its success by bringing their skills, knowledge, and experience to the table. Thus, taking care of our people has become a top priority for Estithmar. We are not only concerned with attracting top talent but also retaining them, developing their skills, promoting their well-being, and engaging them in meaningful work. We are committed to finding the best possible candidates for each position, utilizing a range of tools and strategies to identify top talent. However, we also recognize the importance of retention and reducing turnover. We understand that losing valuable employees can be costly in terms of time, money, and productivity. As such, we have implemented a range of measures to foster employee engagement, satisfaction, and development. We provide ongoing training and development opportunities, competitive compensation and benefits packages, and a supportive and collaborative work environment. By caring about both talent acquisition and retention, we are building a strong and sustainable organization that can continue to thrive and grow over the long term. These are our critical factors in driving employee satisfaction, productivity, and organizational success.

► Competencies Framework:

We realize the importance of having a clear and comprehensive competencies framework to guide our hiring, performance evaluations, and employee development initiatives. As a result, we developed a comprehensive framework that outlines the key skills, knowledge, and behaviors required for success within each role and level of the organization. The framework is regularly updated to ensure that it reflects the changing needs of our business and industry, and it serves as a valuable tool for managers and employees alike. By having a well-defined competencies framework, we are able to ensure that we are hiring the right people for the right roles, providing targeted training and development opportunities, and measuring performance in a fair and objective manner. This framework is essential for building a strong and capable workforce that is aligned with our company's goals and values.

► Talent Development:

Talent development is a crucial aspect of any organization's success. By investing in employee skills, we can ensure that we have the right people in the right roles, equipped with the skills and knowledge needed to excel in their jobs. At Estithmar, we recognize the importance of talent development and are committed to facilitating both internal and external training opportunities for our employees. Through these programs, we aim to equip our employees with the skills they need to excel in their current roles and to prepare them for their next career steps. By investing in our employees' development, we are not only improving their job satisfaction and performance but also building a more resilient and adaptable workforce that can navigate the challenges of a rapidly changing business environment. The learning journey of our people starts at the gate of the organization. Our new joiners start their onboarding by attending a Corporate Induction session, where they are equipped with all the information needed related to Estithmar and the essential HR policies & procedures. Followed with a General Orientation session where employees get to learn more about their company, department, and their job role.

Moreover, as a part of the probation confirmation process, employees are required to attend 8 mandatory online courses through our system "SAP SuccessFactors". 5 courses reflect our 5 core values (Leadership, Accountability, Resilience, Quality, Collaboration), along with the "SAP SuccessFactors" familiarization course that help them to easily navigate through the company's system. In addition, they are requested to attend "Career Development" course that explains the career development model, our competencies framework, how to aspire for their next role, and how to assess the competencies gap. The last course is "Performance Management", which helps the employees understand our performance appraisal system, how to evaluate themselves and their team, and the key measurements of assessment.

Furthermore, the learning journey doesn't stop with the onboarding process, as continuous learning and development opportunities are essential for employees' growth and success within the organization. To enhance the skills of our employees, our company has invested in LinkedIn Learning. As of today, our people have access to more than 17,000 free courses taught by real-world professionals. Employees can receive courses recommendations tailored for them, use project files and quizzes to practice while they learn, view courses anytime from their laptops or phones, and earn a certificate once they complete the course.

To encourage our employees, a LinkedIn Learning Ceremony is held every quarter, to celebrate our top learners. 40 winners have been chosen in 2022, we celebrated their efficiency & efficacy in learning and for completing all the course assignments. During the ceremony we award our champions with certificates, prizes, and we feature their pictures in our HR magazine "HR Pulse".

In 2022, a comparative study was conducted by the Learning and Development team to show the growth of the training activities. The main purpose of the study is to recapitulate all the training activities distributed along technical and soft skills, in addition to the internal and external trainings within the organization. Taking in consideration the Coverage Ratio in all departments that points out that all employees are getting trained. Therefore, the estimations are being properly determined at the beginning of every year upon conducting the Training Needs Analysis (TNA).

As part of our Continuing Professional Development (CPD) initiative, and as per the business needs, the L&D Unit introduces and recommend new training topics to allow the employees develop their knowledge and professionalism and stay updated with the latest trends in the business industry. An increase in soft skills training was observed within each quarter. Thus, it can be deduced that our employees are becoming more considerate to upscale their behavioral competencies.

The table below shows the training hours on technical & soft skills.

2022	Number of Trained Employees	Number of Hours
Number of Training Hours	1083	10,562
Soft Trainings – LinkedIn Learning	845	10,497

► **Career Development:**

We recognize the importance of investing in the career development of our people and thus implemented a comprehensive framework to support their growth and progress within Estithmar. The framework includes a variety of programs, such as mentorship, skills training, and competencies evaluations, all aimed at providing employees with the tools and resources necessary to advance their careers. The framework is designed to offer employees the option to choose from three distinct paths to further their professional growth. The importance of such an initiative cannot be overstated, as it not only benefits individual employees by enhancing their skills and knowledge, but it also contributes to the overall success of the company by creating a workforce that is engaged, motivated, and capable of taking on new challenges

To ensure that all employees were aware of this new initiative, we ran a series of awareness webinars. These webinars covered all our employees and were designed to provide an overview of the framework, the system, and the various programs that were available to support career development. The webinars were interactive, allowing employees to ask questions and provide

feedback. By running these webinars, we were able to ensure that all employees were aware of the new initiative and understood how they could benefit from it. Additionally, the webinars served as a valuable tool for engaging with employees and fostering a culture of learning and growth within the organization. Overall, the webinars were a successful initiative in raising awareness of the new career development initiative and promoting employee engagement.

Going forward:

- Finalize and launch the Career Development program for healthcare sector.
- Launch the Succession Planning project for Key positions.
- Leadership Development programs.

► **Employee Engagement:**

We understand the importance of engaging with our employees on a regular basis and keeping them informed about HR-related news, updates, and events. As a result, we implemented an internal HR newsletter "HR Pulse" that is sent out to all employees on a monthly basis. The newsletter includes a variety of content, such as latest updates, wellbeing, training opportunities, development topics, and employee recognition programs. We also include fun and engaging elements, such as employee spotlights and trivia questions, to keep the newsletter interesting and enjoyable to read. By implementing this newsletter, we have seen an increase in employee engagement and satisfaction, as employees feel more connected to the company and are better informed about HR-related matters. Additionally, the newsletter serves as a valuable tool for HR to communicate important information to employees in a timely and efficient manner. Overall, the internal HR newsletter has been a successful initiative in enhancing communication and engagement within our organization.

As we are always keen on listening to our employees' feedback, and as part of our plan to increase the employee engagement rate, we are now in the process of collaborating with a global organization that provides companies with the highest standards of excellence in HR practices and employee experience by using a rigorous assessment methodology and a framework reflecting the very latest trends in people practices.





Our People

Talent Acquisition:

At Estithmar, we pride ourselves on the efficiency of our talent acquisition process. We have developed a comprehensive and streamlined approach to identifying, attracting, and onboarding the best possible candidates for each position. Our process begins with a thorough analysis of the role and the skills and experience required to excel in it. We then utilize a range of recruitment channels, including job boards, social media, and professional networks, to identify potential candidates. We have developed a rigorous screening and interview process, which allows us to assess candidates' skills, experience, and cultural fit. We also work closely with hiring managers to ensure that the process is tailored to their needs and that they are fully involved in the decision-making process. Overall, our talent acquisition process is designed to be efficient, effective, and focused on finding the best possible candidates for each position.

Achievements:

Successfully filled	Average days to hire was
1037	31
Positions	Days / vacancy

Turnover rate	Turnover rate
12.46%	38.39%
Voluntary	Involuntary

Retention rate of High Performers

99.64%

Across the group

927 Hiring below mid-point with a saving of

1.6mn QAR

Initiatives:

- Empowering **Diversity & Inclusion** through issuing new policies and increasing the number of females to **419** females which is equivalent to **15.13%** from total manpower.
- Support the hiring of Qataris by developing a new **Qatarization Program**.



Our People

Government Affairs:

The Government Affairs department has shown exceptional performance in 2022 by finalizing all transactions related to visa issuance, QID renewals, and Hamad Health Card renewals in a timely and efficient manner. The department has a team of dedicated and experienced professionals who work tirelessly to ensure that all processes are streamlined and executed with precision. The team has successfully issued over 8,000 new QID and renewed over 28,000; processed more than 15,000 Work Visa; and issued more than 9,000 new Hamad Health Card and renewed over 24,000. Overall, the Government Affairs department is a crucial component of the HR operations, and their exceptional performance is a testament to their hard work and dedication.

Employee Relations:

The Employee Relations department plays a crucial role in maintaining a positive work environment and ensuring that the needs of the employees are met. They are responsible for handling complaints and resolving conflicts that arise in the workplace, as well as responding to employee tickets in a timely and efficient manner. The department also recognizes important events such as the Start of the Quarter and takes steps to ensure that all employees are aware of any changes or updates that may affect them. Furthermore, they play a critical role in the onboarding and separation process, ensuring that new hires are properly integrated into the company and that departing employees are provided with the necessary resources and support to make a smooth transition. Overall, the Employee Relations department is an integral part of any organization, and their effective management of employee concerns and needs can have a significant impact on the success and productivity of the company.

We are a stronghold of more than 2700 employees with more than 60 diverse nationalities. A testament of employee loyalty is at 39% or those who have been in the company for more than 3 years. With a focus on being customer-centric, employee's over-all experience from recruitment to onboarding, and all throughout their active cycle up to their final exit - all these have been affirmative and efficient due to the HR process being integrated in SAP. And as we move towards digitalization, platforms have also been introduced such as Daizy, An AI application that can respond to any inquiries on company policies and processes, instantly.



► **Workers Welfare:**

Estithmar WWD aims to create a positive environment to support the well-being and rights of workers for enhanced productivity, job satisfaction, and contribution towards the achievement of organizational goals. It ensures a healthy and safe work environment and addressed grievances, legal compliances, and fair treatment. It promotes physical, emotional, and financial health, fostering social responsibility. These are achieved through stringent inspections and monitoring, exercising impartial and effective grievance handling through Power Connect and Workers Committee Meetings, orientations, and skills development programs.

Initiatives:

- Implementation of Grievance Mechanism, leave submittal and worker’s performance assessment using **“Power connect application”**.
- Establishment of **Workers’ Helpdesk** at all labor camps to assist workers with their requirements.
- Appointment of Workers’ Representatives and formulation of the **Workers Welfare Committee (WWC)**.
- Periodical inspections, maintenance, and upkeep of accommodation and welfare facilities.
- Provision of welfare amenities like well-equipped Gym, Supermarkets, Barbershops, and Cafeterias operating throughout the accommodations to fulfill workers’ daily needs.
- Provision of mobile ATMs and exchange center during FIFA world cup.
- Provision of **outdoor sporting facilities** such as Football, Basketball, Volleyball, and Badminton courts for workers’ physical activity, in addition to **indoor sports facilities** such as Table tennis, Billiards, Chess, Billiard, and Carrom to engage workers during their leisure time.
- Organization of several sporting competitions, tournaments, and activities which witnessed large participation from workers.
- Various **training & skill development programs** such as Basic English courses, Basic Computer Courses, etc. for workers to feel competent and confident in their abilities.
- Periodic **welfare survey** by WWD to assess the effectiveness of welfare programs established.
- Organized **mega musical live concert** in Shahaniya & Elegancia Resources camps for workers’ entertainment and mental pleasure, with 3 big screens for movies, programs, sports, etc.
- Provision of snacks and fast-food kiosks and food court in Shahaniya worker’s accommodations.

FIFA Fan Zone

- In cooperation with FIFA Supreme Committee, Estithmar WWD established 6 fan zones across worker’s accommodations with 10 giant screens and two 75’ TVs to bring in live football match feeds. The initiative engaged almost all workers throughout the global event enjoying live matches of their favorite teams.
- Activities include daily onscreen live quiz competition, daily fun games were organized during match breaks and winners were rewarded with gifts and food coupons, daily raffles draw with exciting gifts and prizes, talent show and music nights during FIFA rest days, live musical concerts, clown and mascot shows during FIFA rest days, 24x7 Food kiosk availability, and provision of Money exchange for workers to send money to their homeland.

Committee meetings
65
with **221** closed findings

Site Inspections
58
with **414** closed findings.

Camp inspections
38
with **382** closed findings

Kitchen inspections
8
with **65** closed findings

Worker grievances
1,157
received and closed

English course
836
workers attended

Workers participated
865
in various sports activities.

CLUSTERS

Operating
Review

CLUSTERS



Operating Review

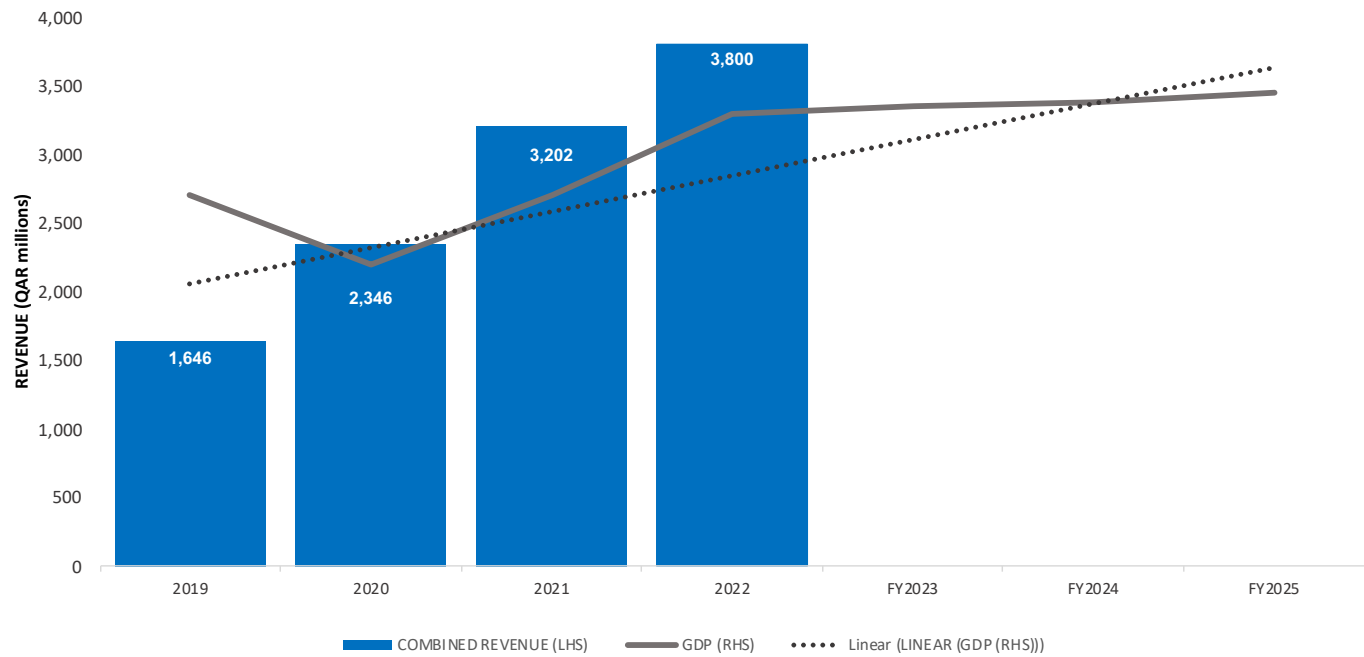
Financial Performance

ACHIEVEMENTS

Estithmar Holding is a leading conglomerate in Qatar that manages a portfolio of companies. In 2022, the Group has benefited from the near-term growth to accelerate in the run up to the FIFA 2022 World Cup, in line with IMF projections, with the Contracting, Industries and Services Clusters having positive growth in relation to GDP.

The Group therefore believes that Qatar has solid macroeconomic fundamentals which will support the growth of the Group fueled by Qatar's impressive GDP growth rate and its positive demographic outlook. These macroeconomic fundamentals are expected to contribute to the increase in demand for the Group's services in the Qatar and are expected to contribute to the Group's continued growth.

The chart below sets out a breakdown of the Group's combined revenue against Qatar's GDP growth between 2019 and 2022.



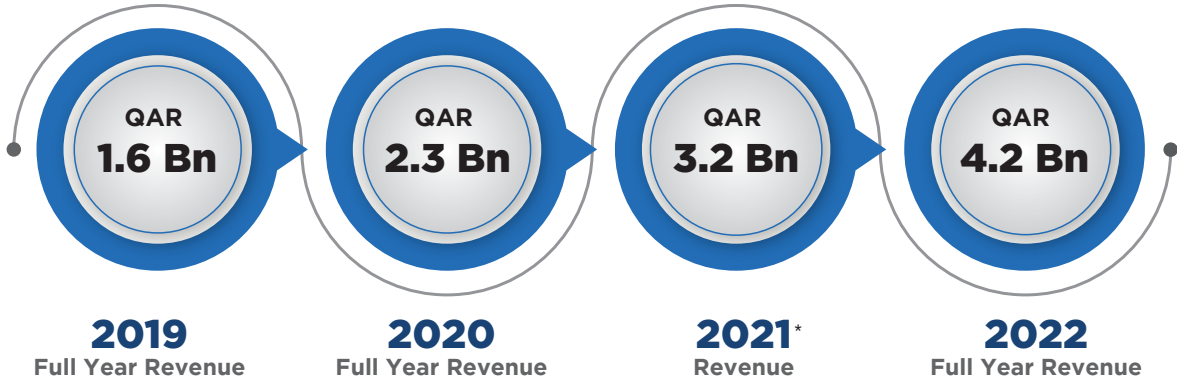
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Operating
Review
Financial
Performance

2022 GROWTH STORY

2019, 2020, 2021 Represent revenue of Elegancia group before reverse acquisition



Financial Position 2022
(Current Ratio 1.19)

Total Assets	QAR 8.7 bn
Net Assets	QAR 4.5 bn
Working Capital	QAR 89 mn
Net Borrowings	QAR 1.8 bn
Debt / EBITDA	3.5 times
Interest Cover	7.7 times

Cash Flow 2022

Operating Cash Flow	QAR 426 mn
Investment Cash Flow	QAR (1,133) mn
Financing Cash Flow	QAR 817 mn
Net Cash Flow	QAR 110 mn

Income Statement 2022

Revenue	QAR 4,237 mn
Gross Profit	QAR 620 mn
EBITDA	QAR 518 mn
Net Profit	QAR 325 mn

Investment Metrics 2022

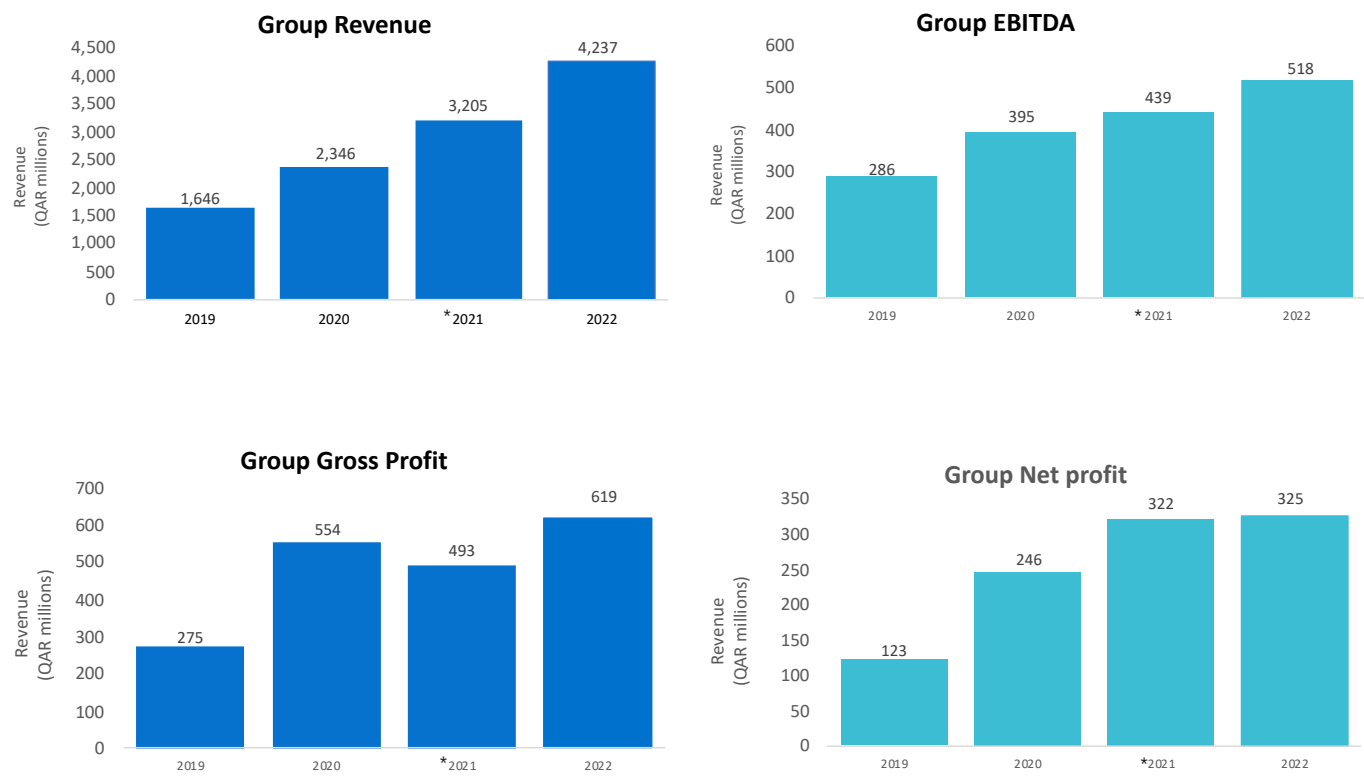
Earnings per share	QAR 0.107
Work-in-hand	QAR 3.2 bn
Return on Equity	7.3%
Selected-not-booked Including long-term ongoing contract	QAR 15+ bn

* Period from November 03, 2020 (Inception Date) to December 31, 2021

Operating Review

Financial Performance

EBITDA growth was 17.7%, driven by growth across the business, with EBITDA in 2022 at QAR 518 million compared to QR 440 million in 2021. In 2022, the Group's revenue increased by 32.2%. Construction and Services Clusters made use of Qatar's FIFA World Cup 2022 potential market at its best during the year. Out of QR 4.2 billion, the Services Cluster contributed 48% to the Group, with the Construction Cluster contributing 40% of revenue. The reported Net Profit was QR 325 million or 7.7% of Revenue. The Net Profit for 2022 has largely in line with 2021. The main drivers of the lower growth in Net Profit versus EDITDA is increased financing costs and depreciation as a result of major project investments during 2022.



* Period from November 03, 2020 (Inception Date) to December 31, 2021

OVERCOMING CHANGES & CHALLENGES

Strong financial discipline during a high growth phase was demonstrated by our effective cash management practices as reflected in the balance of cash and cash equivalents of QR 167.4 million as at 31st December 2022, which is a drastic increase from QR 41.4 million as of 31st December 2021. Net Borrowings increased to QR 1.8 billion, up from QR 927 million due to new capital expenditure related to the Healthcare and Estithmar Ventures activations. Goodwill of QR 3,240 million was generated in during 2022, arising from the business combination of Elegancia Group and IHG. Return on Equity stands at 7.3% as at 31st December 2022.

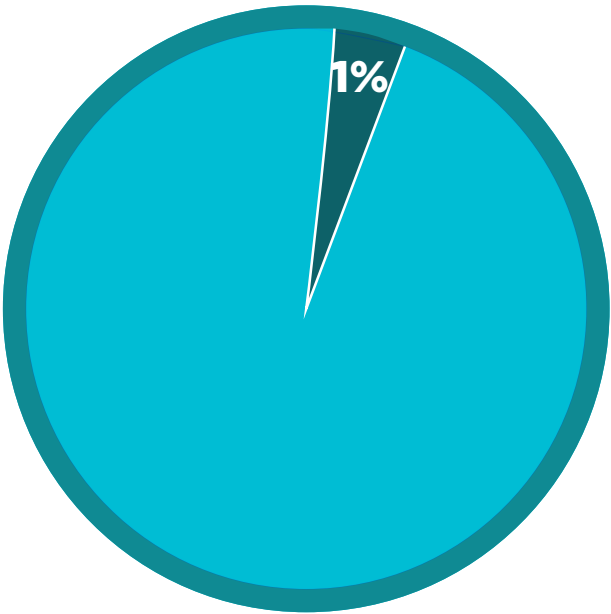


elegancia healthcare

The Healthcare Cluster consists of four medical facilities with international affiliations. The View Hospital opened its doors to the public on 18th December 2022, while The Korean Medical Center and EWS are still in the establishment phase, which includes construction and and fit-out, in addition an MOU was signed to establish The Algerian Qatari German Hospital in Algeria.

The Healthcare Cluster reported revenue of QR 26.9 million for the nine months ended 30 September 2022 resulting from the commencement of the planning phase for the managed medical services contract with a government client (the "PPP"), the Healthcare cluster does not have any prior reporting financials as of date.

2022 Revenue



% represents contribution to the Group



**THE VIEW
HOSPITAL**

In Affiliation With
 **Cedars
Sinai**

The first of Elegancia Healthcare's strategic partnerships is The View Hospital, which is an affiliation with Cedars Sinai Medical Center in Los Angeles, USA.

The View Hospital is a facility in the Al Qutaifiya area, in the vicinity of Lusail, Katara and The Pearl Qatar. The View Hospital, opened to public on December 18 2022, provides comprehensive inpatient and outpatient programs, which specialized clinical centers equipped with the latest technology.

The View Hospital consist of 240 single-bed en-suite rooms, 62 VIP suites, six ambassador suites and three royal suites and offers comprehensive healthcare services and facilities, both surgical and medical, including, women’s health, heart health, diabetes care, executive health, wellness (weight management and bariatric surgery) and family health services.



240
Single Bed
En-Suite Rooms

62
VIP Suites

6
Ambassador
Suites

3
Royal Suites





Upcoming
Project



IN PARTNERSHIP WITH THE BEST
KOREAN MEDICINE PROVIDERS:



ASAN
Medical Center



JK Medical Group



The Korean Medical Center (KMC) will be a specialized medical center and the only facility of its kind in the GCC region to offer specialized Korean medicine.

KMC's vision is to be a destination of choice for nationals, expatriates and medical tourists who seek clinical excellence, a superior patient experience and cutting-edge medical technology. KMC is located on the Lusail Boulevard, Lusail City.

KMC's goal is to provide the highest quality of care, to lead in the health sector and to add value to the Qatari community. KMC will hold 66 procedures treatment rooms, 46 outpatient clinics, 18-day surgery beds, three operating rooms and a complete radiology unit.

The main services provided at KMC include: plastic surgery, dermatology, wellness and wellness, fertility treatment, spine and joint, ophthalmology, dental, pain management, rehabilitation and Korean traditional medicine, executive health check-ups and primary care services.

66
Procedure
Treatment
Rooms

46
Outpatient
Clinics







18
Day Surgery
Beds

3
Operating
Rooms

1
Complete
Radiology
Unit



*Under Final contractual agreement

 Centers Of Excellence	 Stroke Center Neurology Neurosurgery Interventional imaging Adult critical care Emergency Medicine Rehabilitation	 Cardiac Center Cardiology interventional cardiology cardiac surgery critical care Emergency Medicine	 Trauma Center Emergency Trauma surgery Orthopedics General surgery Neurosurgery Pediatric Surgery Imaging Critical care Rehabilitation	 Transplant Center Transplant surgery Critical care General surgery Pediatric surgery Urology	 Oncology Center Medical oncology Radiotherapy Pathology Oncology surgery Hematology Imaging
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75
Outpatient Clinics

20 – 60*
Emergency bays

2
Inpatient Pharmacies

Cutting-edge Imaging system

High-end Diagnostics

20
Operating Theaters
1 Hybrid OR
10 General operating rooms
5 Day surgery rooms
4 C-Section rooms

+400
Beds

20
Operating Rooms

70,000sqm
Built-up Area

340
Inpatient Beds

60
ICU Beds

Upcoming Project

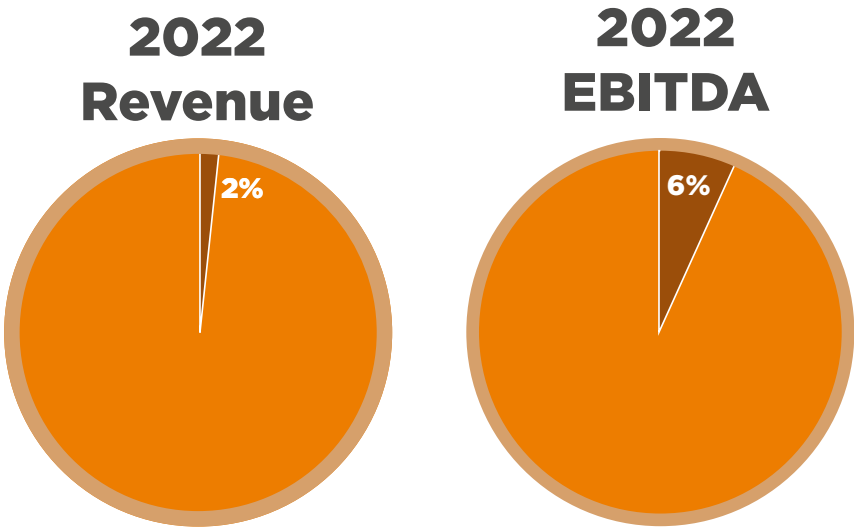


▶ Estithmar ventures

Estithmar Ventures Real Estate Development is an equity sponsor in special purpose companies in order to pursue the group's strategy of targeted local investments in the tourism and hospitality industry that are in alignment with Qatar's National Vision 2030, as well as further expansion into lucrative international markets.

The Group's Estithmar Ventures cluster is composed of the Al Maha Island, Katara Hills, Maysan Doha, Saddle House for Hospitality.

- Touristic Destinations
- Hotels and Resorts
- Hospitality and Entertainment
- Purpose Focused Development



% represents contribution to the Group

2022 Revenue Composition

AL MAHA ISLAND	77%
KATARA HILLS	11%
MAYSAN	6%
EQUESTRIAN CLUB	6%





AL MAHA

ISLAND LUSAIL

Al Maha Island is an entertainment hub for locals and tourists in Qatar which is led by the Group in collaboration with Qatari Diar Real Estate Investment Company and Qatar Tourism.

Al Maha Island sits on 230,000sqm and includes Lusail Winter Wonderland (operated in collaboration with IMG) and a high-end district with some of the world's most renowned brands such as Zuma, Nammos, Em Sherif, Tatel, Carbone, Billionaire, LPM and more. Estithmar Ventures owns 100% of the Al Maha Island project.







Lusail Winter Wonderland

لوسيل وينتر وندرلاند







KATARA HILLS

RESORT

LXR HOTELS & RESORTS



Katara Hills is a new resort with distinctive architectural design in harmony with nature located in the heart of Katara that provides privacy and comfort to its guests. Inspired by Scandinavian architectural style, the carefully designed venture blends the landscape of Katara’s greenery with modern architecture.

Katara Hills features **15 luxury villas** with 9 one-bedroom villas, 5 two-bedroom villas, and one three-bedroom VIP villa, all with private pools. Estithmar Ventures owns 100% of the Katara Hills project.

- 15

Luxury Villas With Private Pools
- 9

One Bedroom Villas
- 5

Two Bedroom Villas
- 1

VIP Three Bedroom Villa







MAYSAN

DOHA

LXR HOTELS & RESORTS



Maysan Doha is a luxurious club and spa, located in Aspire Zone. Maysan has been designed to be a luxurious vacation resort for affluent travelers and visitors who seek exclusivity, high-end experiences and leisure activities for couples and families.

Visitors can enjoy luxurious amenities, such as a wellness centre and spa, outdoor swimming pool, fine dining, as well as a tennis court and a paddle court. Estithmar Ventures owns 100% of this project.

33 Villas	20 Suites 65m ²	13 Two bedroom Villas 200m ²
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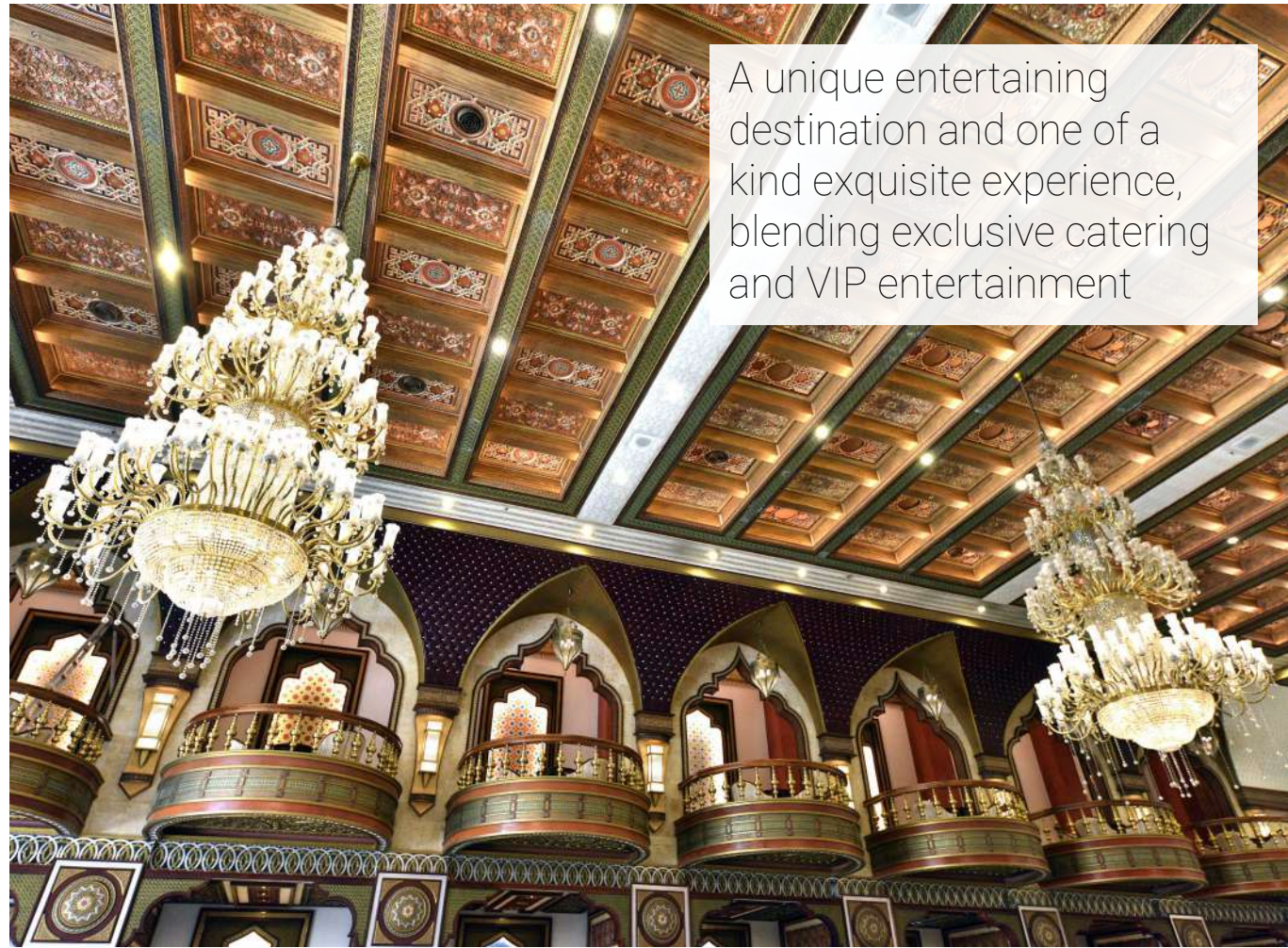
EQUESTRIAN CLUB

LUXURY REDEFINED



Saddle House for Hospitality is an entertaining destination that blends exclusive catering and entertainment. Equestrian Club has a music club, a multi-purpose hall, restaurants cluster and provides high-end catering to its members.

Estithmar Ventures owns 100% of the Saddle House for the Hospitality project.



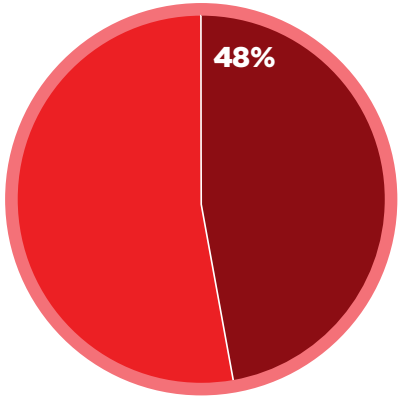
A unique entertaining destination and one of a kind exquisite experience, blending exclusive catering and VIP entertainment



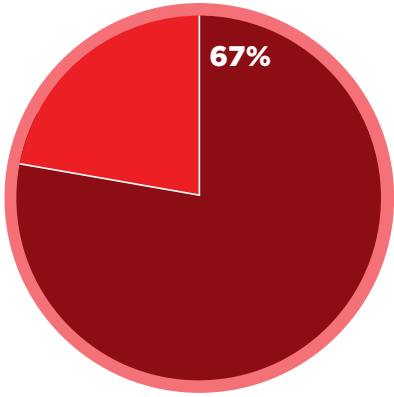
elegancia services

The Services cluster is comprised of five business units that specialized in facilities management, catering, resources, and supply of material to a wide variety of commercial and corporate clients.

**2022
Revenue**



**2022
EBITDA**



% represents contribution to the Group

2022 Revenue Composition

Events & Catering	27%
Facilities Management	21%
Gabro	9%
Resources	43%





elegancia events & catering

Elegancia Catering Services W.L.L. (“Elegancia Catering”) and its subsidiary, Yemek Doha Catering Services W.L.L., prepare approximately 250,000 meals every day in Qatar for accommodations and corporate dining events.

Elegancia Catering operates in **5,000 sq.m.** commercial kitchen and provides corporate hospitality, accommodation catering, mobile kitchens and professional catering consulting services, such as menu design, kitchen and food outlet design, concept and brand creation as well as front desk, management and staff training. It can cater for all occasions: from small gatherings to large-scale events of up to 15,000 guests, including; from weddings, social events and corporate dinners that meet the personalized needs of its clients.

Elegancia Events W.L.L. is a comprehensive events company that specializes in preparing and organizing concerts and mega events.



+1,500
Manpower

+250,000
Meals/day

5,000 sqm
Kitchens



elegancia

facilities management

Elegancia Facilities Management W.L.L. is a provider of self-delivered integrated facilities management services covering hard and soft services, as well as consultancy with more than **3,000** employees delivering across multiple sectors and operating at **250** site projects across Qatar.

Elegancia FM provides its services internationally and in Qatar, with years of industry experience in the following services: Facilities Management, soft services, hard services, and consultancy services.

- FACILITIES MANAGEMENT
- SOFT SERVICES
- HARD SERVICES
- CONSULTANCY SERVICES



Grade A In facilities management	+3,000 Manpower	95% Client retention	136 Assets under management
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► elegancia resources

Elegancia Human Resources and Contracting W.L.L. provides logistical and manpower support to large construction projects and industrial clients in Qatar.

Elegancia Resources supplies more than **11,800** civil and electromechanical workers to projects across Qatar. Elegancia Resources can provide mechanical, electrical and plumbing (“MEP”) workers (such as foreman MEP, foreman duct, foreman electrical, foreman pipefitter and foreman plumber) and civil workers (such as foreman carpenter, foreman civil, foreman mason, foreman painter, foreman steel fixer, foreman scaffolder.

Elegancia Resources also provides workers accommodation, which is one of the largest work force accommodation projects in Qatar that provides a healthy living environment for its residents.

Providing logistical and manpower support to some of the biggest construction projects in Qatar.

The company considers the safety and prosperity of the workforce as its top priority. The company’s facilities and accommodations offer a safe, comfortable environment for all workers, complying with Qatar’s labor laws and international institutions.

- Supplying Manpower
- High standard accommodation



+11,800
Manpower

350
Fleet

14
Sectors Served



Elegancia Gabro Trading & Transport W.L.L. is one of Qatar’s leading gabro importers, provides delivery transport and logistic solutions for high-grade gabro rocks, which include transportation, marine logistic solutions, and services, offshore and onshore.

Elegancia Gabro imports more than **6,240,000** tons of gabro annually to supply to customers in the Qatar market. Elegancia Gabro has a fleet of more than **60** trucks and a storage yard located in Mesaieed industrial area with approximately **45,000 sq.m.** of storage capacity. Elegancia Gabro also supplies high-grade gabro rocks to the construction industry

- GABRO SUPPLY
- SHIPPING
- LAND TRANSPORTATION



3.6mn Tons
Imported Yearly

45,000sqm
Storage Capacity

+60
Trucks Fleet



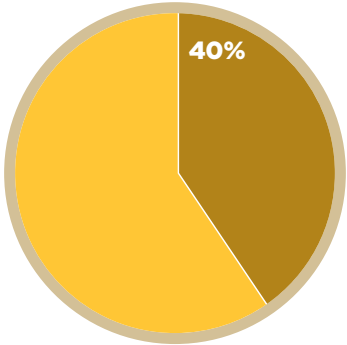


elegancia

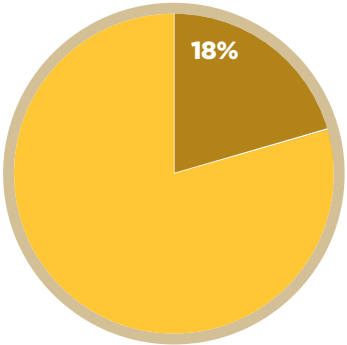
contracting

The Contracting Cluster is composed of seven business units that offer a recognized Grade A MEP and landscape contractor, offshore marine and logistics services.

2022
Revenue



2022
EBITDA



% represents contribution to the Group

Contracting - 2022 Revenue Composition

MEP	53%
Landscape	18%
Marine	2%
Fit-out	3%
Kitchens	5%
CESCO (Fire & Safety Solutions)	7%
Watermaster Qatar Co. (Water Features)	6%
Others	6%

elegancia

MEP

Elegancia Electromechanical Services W.L.L. is a Qatari Grade A MEP contractor with more than 5,500 employees. Elegancia MEP offers MEP solutions to clients in the sectors of engineering, procurement, construction, and the commissioning of MEP building services.

Elegancia MEP has worked with many companies and on various projects in Qatar and abroad such as the Hilton Doha, the Al Rayyan Hotel, the Sheraton Grand Hotel, the Waldorf Astoria Maldives, COM 39 and COM 18 office towers in Lusail and various Barwa projects.

- MECHANICAL SERVICES
- ELECTRICAL SERVICE
- PLUMBING
- HVAC, DISTRICT COOLING, PLANTS, ETC.



Grade A
MEP Contractor

+5,500
Manpower

+50
Projects



elegancia

landscape

Elegancia Landscape W.L.L. provides a range of high-end turnkey landscaping services, including site infrastructure services, water features, soft and hard landscape design as well as maintenance.

Elegancia Landscape has completed projects in the United Kingdom, France, Morocco, Lebanon, Jordan, Oman, the Maldives and Qatar and has over 2,300 specialized employees and more than 634 units of machinery and equipment.

Elegancia Landscape offer a wide range of designs and engineering services, which includes, among others, hard landscape, soft landscape, irrigation networks and pumping stations, amusement and entertainment parks, sport fields, indoor and outdoor plants trading, landscape lighting and green wall systems.

- DESIGN AND ENGINEERING
- HARD LANDSCAPE
- SOFT LANDSCAPE
- IRRIGATION NETWORKS & PUMPING STATIONS
- AMUSEMENT & ENTERTAINMENT PARKS
- SPORT FIELDS, GOLF COURSES
- INDOOR & OUTDOOR PLANTS TRADING
- WATER FEATURES & SWIMMING POOLS
- LANDSCAPE LIGHTING
- GREEN WALL SYSTEMS
- STREET FURNITURE, PLAY EQUIPMENTS



500,000sqm
Nurseries

Grade A
Landscape Contractor

+2,300
Manpower

elegancia marine

Elegancia Marine Agency W.L.L. has experience in providing turnkey solution to its clients, including value added engineering with focus on Equality and Quality, Health, Safety, Security, Environment (“QHSSE”).

Elegancia Marine has more than **30** marine units that offer engineering services across a range of marine industries, such as offshore services, marine construction and shipping.

Elegancia Marine owns and operates a diverse fleet of vessels (consisting of bulk carriers, tugboats, barges, spud barges, landing crafts and crew boat) capable to support different types of projects in the marine industry such as transportation, oil and gas industries.

Elegancia Marine has also completed more than **3 million sq.m.** of excavation and land reclamation work.

- BULK CARGO TRANSPORT & LOGISTICS SERVICES
- OIL & GAS OFFSHORE SUPPORT SERVICES
- VESSEL CHARTERING & BROKERING SERVICES
- SHIP MANAGEMENT SERVICES
- SHIP REPAIRS, MAINTENANCE AND DRYDOCKING
- SHIP BUILDING AND SUPERVISION



+30
Marine Units

+3m_{sqm}
Excavation & Reclamation
Works

elegancia

fit-out

Elegancia Design for Trading & Contracting W.L.L. specialize in the fit-out and refurbishment of 4-5-star hotels and resorts and luxury mixed-use developments in the MENA region.

Elegancia Fit-out utilizes the Group's in-house network of specialist contractors coupled with the Group's local and international supply chain, to offer a full turnkey solution fulfilling the need for design, project management, engineering, value engineering, design-build, procurement and fit out all under one contractor to the highest standards of workmanship.

- HOTELS & RESORTS
- COMMERCIAL
- RESIDENTIAL
- MALLS
- BANKING
- HEALTHCARE
- RETAIL
- F&B



elegancia kitchens

Elegancia Kitchens Equipment Trading and Maintenance W.L.L. has experienced staff specialized in commercial kitchen design, supply and installation of professional kitchen equipment and industrial laundry equipment.

Elegancia Kitchens offers “turn-key” solutions to supply and install major foodservice equipment to its clients.

Elegancia Kitchen has more than 100 kitchen experts and extensive experience in designing, procuring and installing industrial kitchens and laundry equipment for hotels, restaurants, schools, universities and camps. Elegancia Kitchens also offers annual maintenance service contracts to its customers

for installed kitchen equipment. Elegancia Kitchen targets sophisticated clients in the hospitality, commercial and government sectors.

- DESIGN DRAWINGS
- FINAL CONNECTION DRAWINGS
- ELECTROMECHANICAL DRAWINGS
- SUPPLY AND INSTALLATION OF ELECTROMECHANICAL WORKS
- FIELD TRAINING
- TECHNICAL INFORMATION SERVICE
- SPARE PARTS AND EMERGENCY ASSISTANCE



+100
Experts



- FIRE ALARM & LIFE SAFETY SOLUTIONS
- FIRE FIGHTING SOLUTIONS
- ELV SYSTEMS & SECURITY SERVICES
- AUDIO VISUAL SOLUTIONS
- MAINTENANCE SERVICES

Consolidated Engineering Systems Company W.L.L. ("CESCO") is a specialist in design, engineering, supply, installation, testing, commissioning, and maintenance of the following systems:

Fire Alarm and Life Safety Solutions
Firefighting Solutions
ELV Systems and Security Solutions
Audio Visual Solutions

CESCO has completed a large number of complex and high-profile mega-projects since its establishment in 2006.

CESCO has over **200** employees and **70** qualified trained engineers divided into five teams' pre-sales and sales, engineering and office support, testing and commissioning, after-sales and maintenance, project management, and site supervision.

CESCO is a distinguished member of the National Fire Protection Association (NFPA) and CESCO is Grade 'A' certified by the Qatar Civil Defense and listed by Kahramaa.

In addition, CESCO is registered and approved by the Qatar Ministry of Interior SSD, thereby verifying CESCO's high performance and commitment to the highest standards.





Water Technology, Swimming Pools, Jaccozi, Saunas
Fountains Designers & Contractors,

Watermaster Qatar Company W.L.L. is a leading specialized contracting company in the wellness industry, specializing in water-related projects encompassing water features, water/ waste water treatment, wellness and pools and musical fountains. Watermaster also designs treatment plants, sub-water networks and provide the supply, installation, commissioning and maintenance of plants.

Over the last couple of years, Watermaster has effectively completed over 170 projects in Qatar.

- CONSULTANCY
- CONCEPTUAL DESIGN
- EQUIPMENT SUPPLY
- INSTALLATION AND COMMISSIONING
- WATER TREATMENT SERVICES
- AFTER SALES SUPPORT

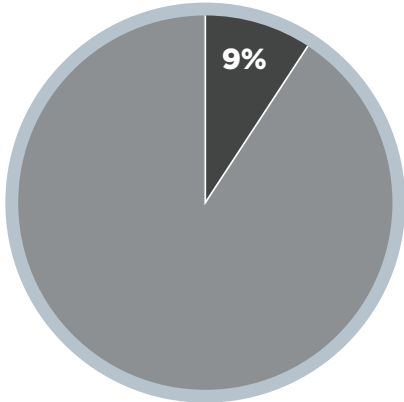




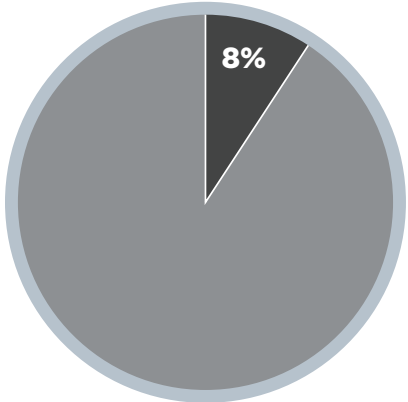
elegancia industries

The Industries Cluster is comprised of three business units that specialize in the design, manufacturing and installation of steel, joinery and high-end marble and stonework.

**2022
Revenue**



**2022
EBITDA**

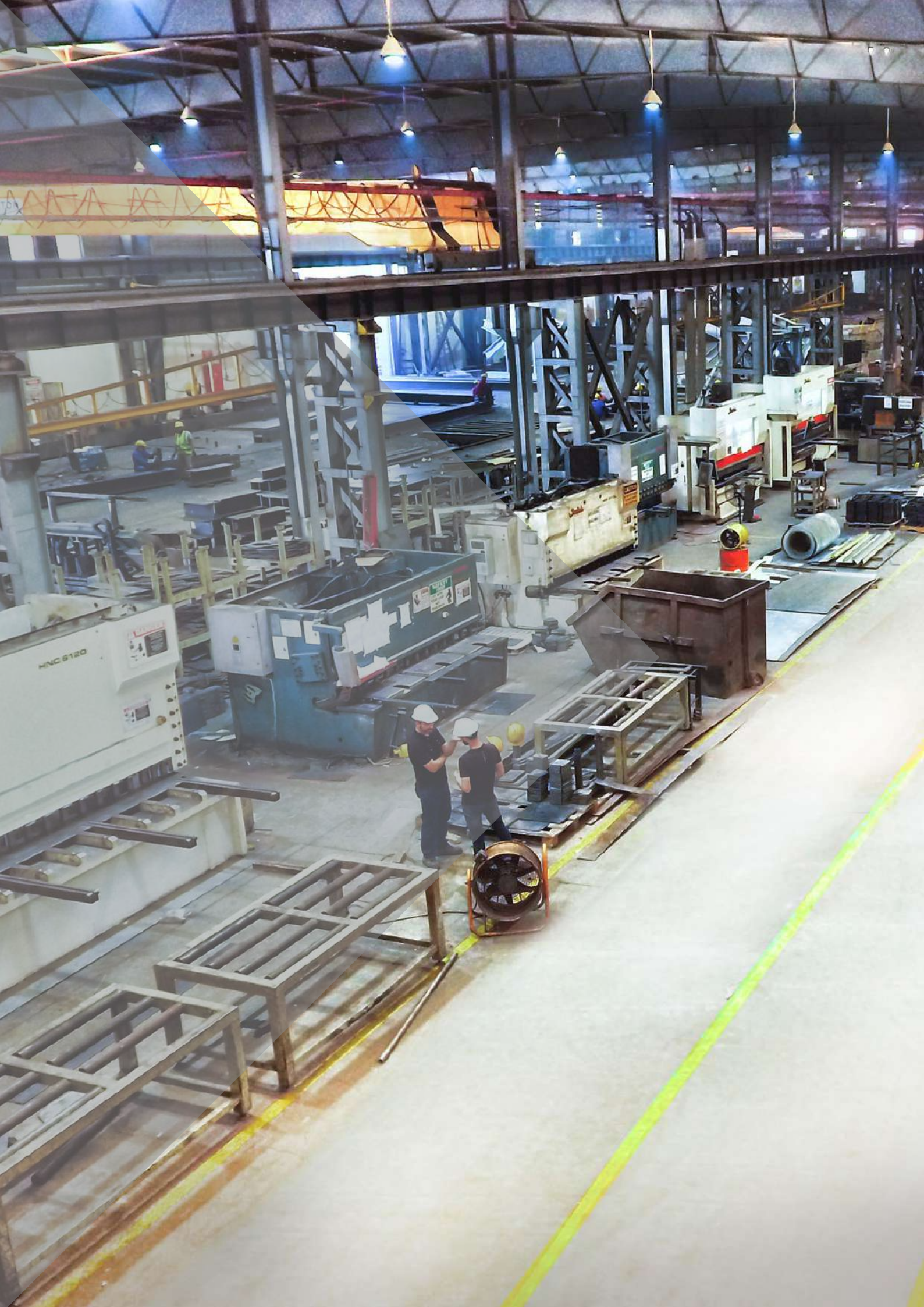


% represents contribution to the Group

Industries - 2022 Revenue Composition

Steel	33%
Joinery	26%
Stones	41%





elegancia steel

The Group conducts its steel industry operations under [seven] operating subsidiaries, namely, Elegancia Steel Tech Trading and Contracting W.L.L, Elegancia Steel Doors Trading and Contracting W.L.L., Elegancia Steel Ducts Trading and Contracting W.L.L., Elegancia Steel Tech Factory W.L.L., Elegancia Steel Trading W.L.L., Elegancia Steel Factory W.L.L. and Elegancia Galvanised Steel Manufacture Metals and Cables W.L.L. (collectively “Elegancia Steel”).

As of 30 September 2022, Elegancia Steel employs more than 700 employees and specializes in steel design, manufacture and installation. Elegancia Steel has a manufacturing capacity of **38,000 sq.m.**, an annual steel doors production of more than **20,000 metric ton** (“mt”) and annual steel fabrication capacity of **10,000 mt.**

- STEEL FABRICATION AND INSTALLATION
- STEEL GALVANIZATION

Elegancia Steel works on projects for clients mainly in Qatar. Additionally, Elegancia Steel specializes in the manufacture of doors and ducts, as well as galvanizing.

Elegancia Steel’s major [completed] projects include the Mall of Qatar, a Baladna milk and plastics factory and some storage facilities in Barwa Al Baraha.



50,000 mt
Annual galvanizing capacity with 11 chemical treatment tanks

10,000 mt
Annual structural steel fabrication capacity

+38,000 sqm
Facilities

+700
Manpower





► elegancia joinery

Elegancia Joinery W.L.L. manufactures and executes contracts for high-end furniture, interiors and turnkey interior fit-out projects in a 10,000 sq.m. purpose build factory in the Industrial Area of Doha.

- BESPOKE ITEMS, FURNITURE
- WARDROBES, WALL CLADDING
- DOORS, KITCHENS
- VANITIES, FLOORING

Elegancia Joinery is the largest joinery factory in Qatar with more than **1,000 employees** working in the factory who have delivered projects such as the Al Najada Hotel & Complex, the Orient Pearl restaurant, the Souq Waqif Hotel and the Lekhwiya Stadium.

Elegancia Joinery uses high-quality raw materials and European grade stains and lacquers to manufacture in a variety of sizes, specs and styles, with its advanced manufacturing techniques.

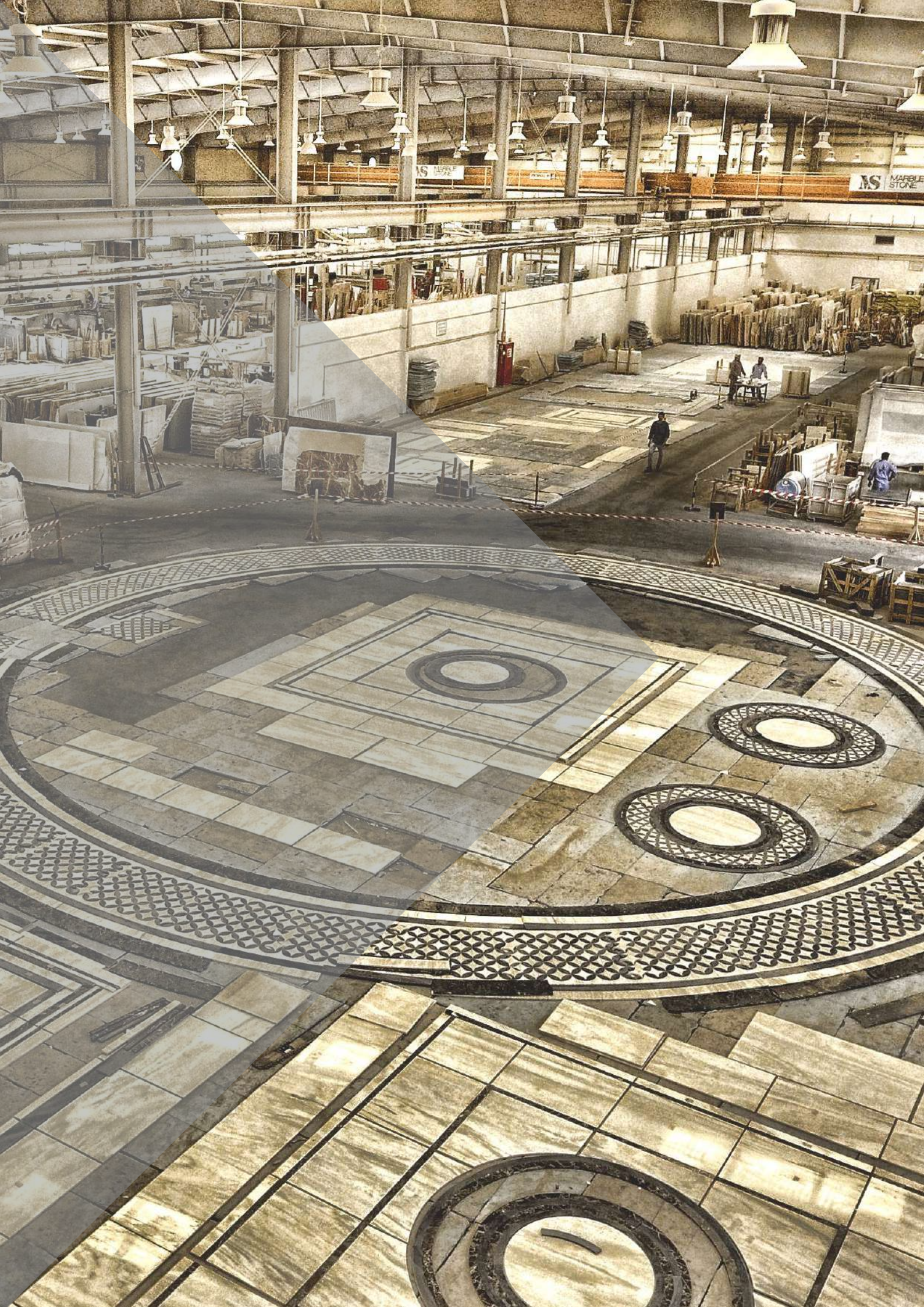


+18,000 sqm
Facilities

+1,000
Manpower

#1
Joinery Factory in
Qatar





elegancia stones

Elegancia Stones for Marble & Granite Trading W.L.L. offers solutions for a wide range of high-end marble and stonework from a 23,000 sq.m. plant, including stone slab preparation, distribution and supply and installation services. Elegancia Stones has more than 1,000 employees across its two divisions: (i) the Trading Division sells stone slabs and has a wide variety of stone types and colours, stored in the production facilities; and (ii) the Contracting Division providing full services for supply and installation of stone works to local contracting companies.

- MARBLE AND STONE SUPPLY
- INSTALLATION WORK



+23,000sqm
Facilities

+1,000
Manpower

+83
Marble Lines



ESG

ESG at Estithmar Holding

Estithmar Holding is committed to incorporating environmental, social, and governance (ESG) principles into all aspects of its business operations. We recognize the importance of sustainable development and we are committed to playing a leading and active role in the development of the communities in Qatar.

Estithmar Holding is dedicated to reducing its environmental impact by implementing sustainable practices throughout its operations, promoting resource efficiency, and reducing waste. For that, we aspire to create a positive social impact by supporting local communities, promoting social responsibility, and promoting diversity and inclusion. Through our ESG initiatives, we aim to contribute to the long-term

sustainability of the business, while also creating value for its stakeholders and the wider society.

ESG Disclosure

Our ESG Disclosure is aligned with the QSE ESG Guidance and references international best practices including the GRI Standards, the United Nations Sustainable Development Goals (SDGs), the Ten UN Principles, as well as national standards and initiatives including the Qatar National Vision 2030 (QNV).

Our **ESG framework** summarizes what sustainability means to it by identifying the key pillars of sustainability which need to be addressed and balanced. Our focus areas are as follows:



Responsible Business

Business Ethics and Transparency
Corporate Governance
Code of Conduct Policy
Human Rights

Business Ethics and Transparency

Estithmar Holding is dedicated to apply corporate governance principles, prioritizing values of honesty, integrity, ethical behavior, transparency, and accountability. We recognize that gaining the trust of investors is crucial to its success, and therefore, strive to prevent any instances of fraud, bribery, corruption, and other financial crimes within the organization while also supporting human rights. Furthermore, we are committed to fostering a harmonious workplace where all employees are treated equitably and free from discrimination or harassment.

Corporate Governance

We believe that strong corporate governance is critical to ensuring high performance across all its activities – and is essential to building investor trust and safeguarding against any misguided

corporate activity.

Our board and management team has adopted a Corporate Governance Framework upon which its business affairs are governed and managed. We recognize that maintaining the trust of our stakeholders is critical to our long-term success, and we strive to build and nurture this trust by ensuring accountability and transparency in all our business operations.

Code of Conduct Policy – QSE #30 QSE #32

Estithmar Holding abides to a strict Code of Conduct to ensure that across the Company, everyone continues to act in an ethical manner. This includes a zero-tolerance policy for bribery and corruption should any breaches of its standards occur. Our Anti-Corruption Policy includes clear rules and guidelines that are strongly reinforced through awareness-raising and training programs provided for all staff.

Human Rights – QSE #16

Estithmar Holding abides by the Qatari Labor Law, aligned with the International Labor

ESG

Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Universal Declaration of Human Rights. We are committed to respecting the human rights of all of its employees, suppliers, contractors and clients. It is mandatory that this commitment is supported and reflected by all of its stakeholders, and that the adoption of human rights guidelines and principles is embedded into all of its business activities.

Environmental Protection

Environmental Management System (EMS)

Environmental Mitigation Procedures

Environmental Management System (EMS)

Estithmar Holding maintains business activities with awareness of their responsibilities towards society and the environment. In line with national and international environmental rules and regulations, our companies aim for continuous improvement to effectively manage the environmental impacts of our activities. Our efforts are guided by the ISO 14001:2015 Environmental Management System and that shall be achieved by the following objectives:

- **We comply** with national and international rules and regulations regarding the Environment and go beyond regulatory obligations to develop innovative practices.
- **We reduce** our negative impact on the environment and continuously review our environmental policy to improve our environmental performance.
- **We ensure** that our environmental policy is monitored and audited in line with our Environmental Management System.
- **We measure** our environmental performance through goals, targets, KPIs and report the results.
- **We minimize** reenhouse gas emissions by using energy efficiently and practice production models to support the transition to low-carbon economy to contribute to the fight against climate change.

Environmental Mitigation Procedures

Preliminary environmental studies are conducted before the starting of any project. As a result, all recommended prevention measures are implemented beforehand to limit the pollution risks related to the business activates. Comprehensive procedures have been established to mitigate pollution at worksites:

- Air pollution and dust control
- Water pollution prevention and control
- Noise control
- Land pollution (Erosion and Sediment control Plan, spill management and reporting procedures)
- Site restoration and reinstatement procedure
- Waste management

Positive Social Impact

Estithmar Holding is a leading player in driving the development of Qatar and its society, with a deep commitment to promoting sustainable progress through a range of initiatives. These initiatives are designed to enhance the community's well-being while also improving our operational efficiency. Our focus is on promoting awareness of best business practices, governance, and cultural exchange, all of which are critical to achieving long-term success.

Moreover, we are dedicated to fostering meaningful engagement with youth through tailored programs that encourage collaboration with schools, universities, and civil organizations. By investing in the next generation of leaders, we aim to build a brighter future for Qatar and its people.



Governance

Risk Management

► **Estihmar Holding** continues pursuing its strategic goals to maximize shareholder value through taking predefined and calculated risks based on acceptable tolerance levels. The organization does not tolerate any events leading to safety and security incidents that threaten the well-being of its employees, contractors, the public and/or impact the environment, and in relation to integrity, ethical/regulatory non-compliance and infringement.

Estihmar Holding has a strong risk culture; we consider all our employees custodians of this culture and entrust them in adhering to our standards and culture in executing the organization's strategy.

We have established a risk management statement, policy and an Integrated Governance system (as shown in the diagram below) to effectively identify, understand, and manage the risks facing the company and affecting our business performance. We are also leveraging opportunities in pursuing our objectives to meet our strategic goals.



The responsibility of implementing our risk management policy rests with the Chief Executive Officer, whilst the responsibility for monitoring the implementation of the risk policy lies with the Board of Directors and is supported by the Risk and Audit Committee.

The Risk and Audit Committee monitors these reports on a regular basis and makes appropriate recommendations to the Board of Directors on the effectiveness of measures taken to minimize the impact of all risks.

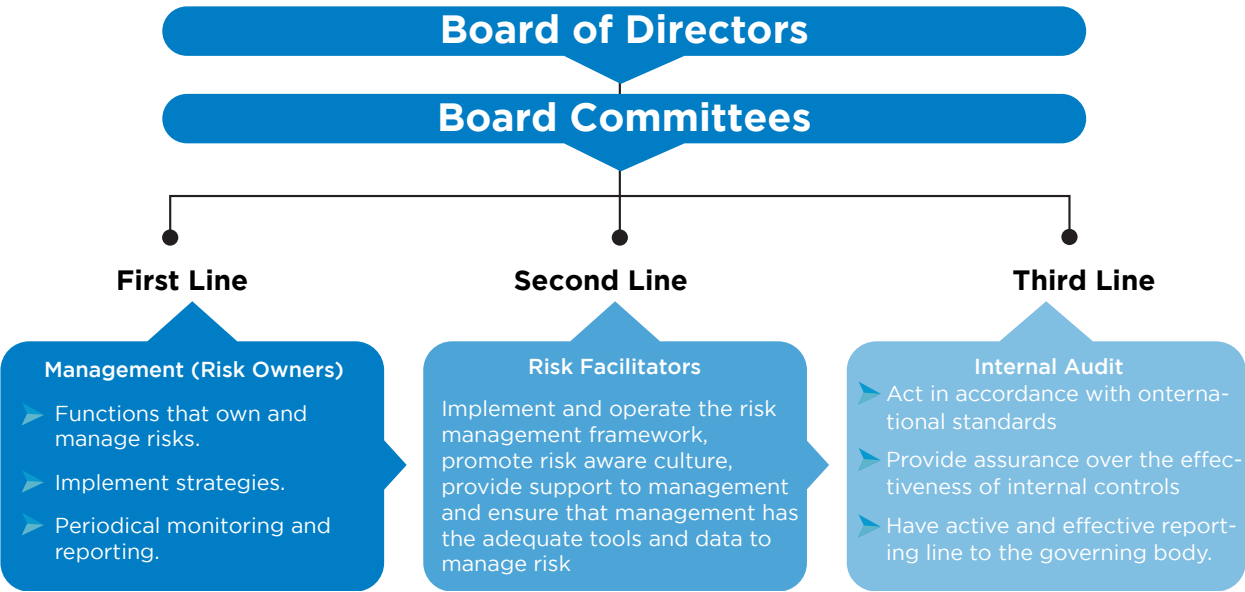
Risk Management

Three Lines of Defense Model

► **Estithmar Holding** continues to identify and align its structures and processes in order to best assist the organization in the achievement of objectives, facilitate strong governance and define high level roles for key stakeholders in the Company when it comes to Enterprise Risk Management. Management remains ultimately responsible to manage the adequacy and effectiveness of the organizations control environment, thereby limiting the impact of risk exposure in accordance with the Company's Risk Appetite.

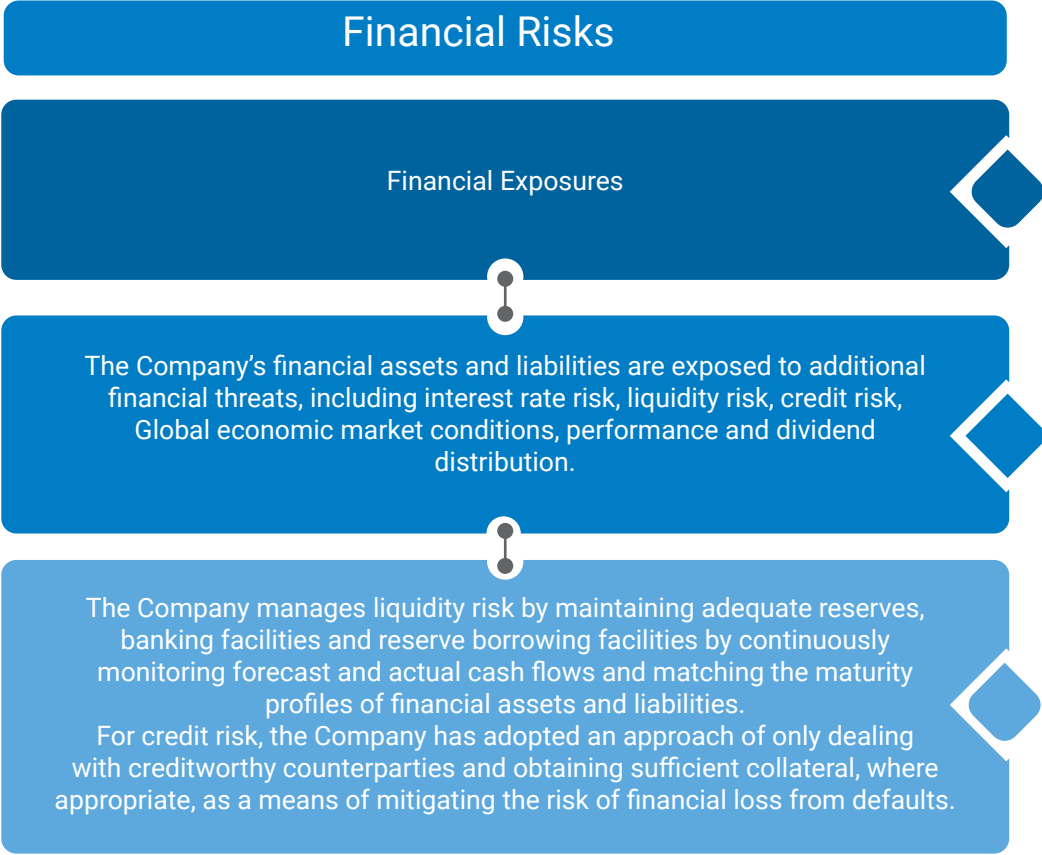
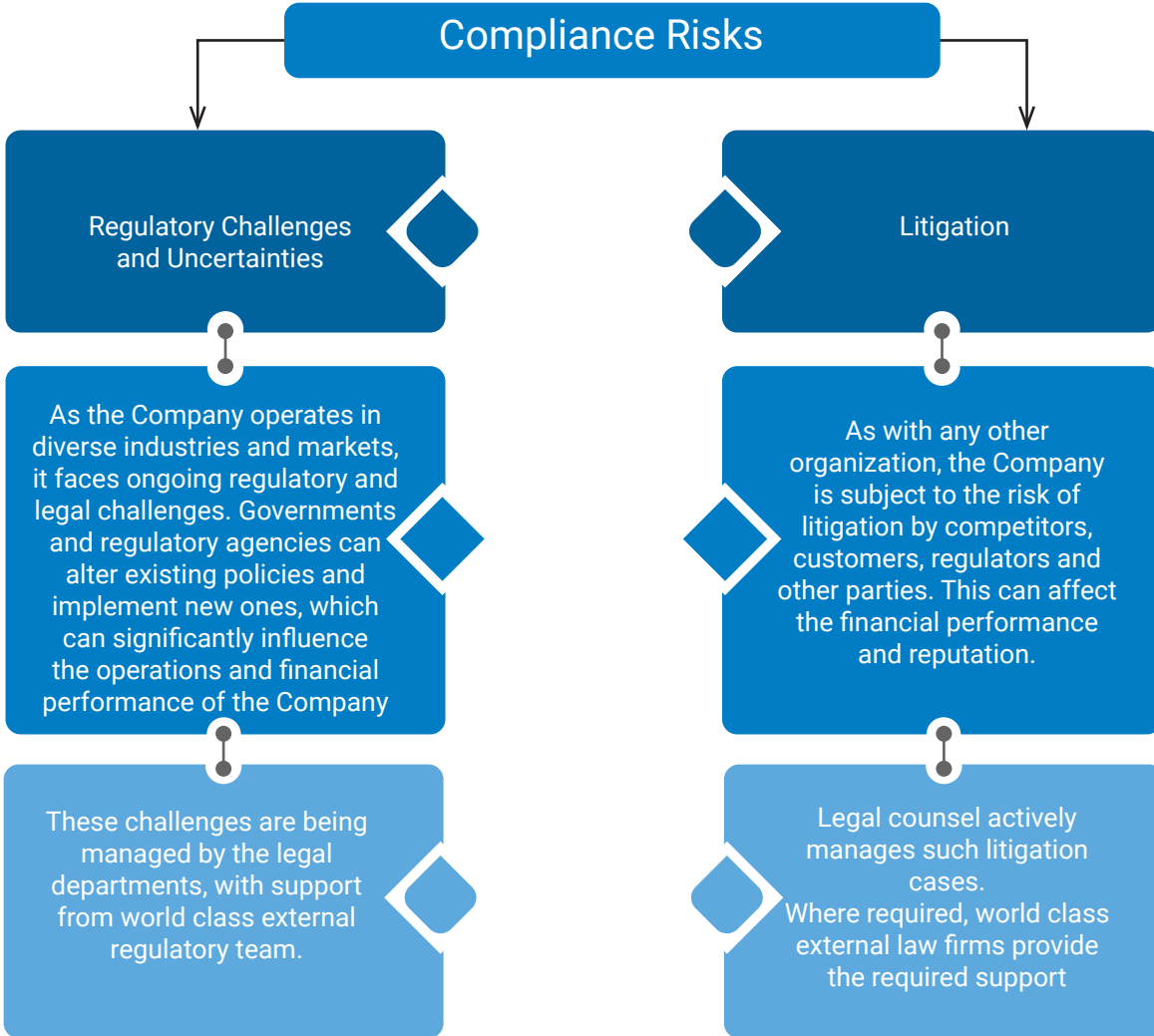
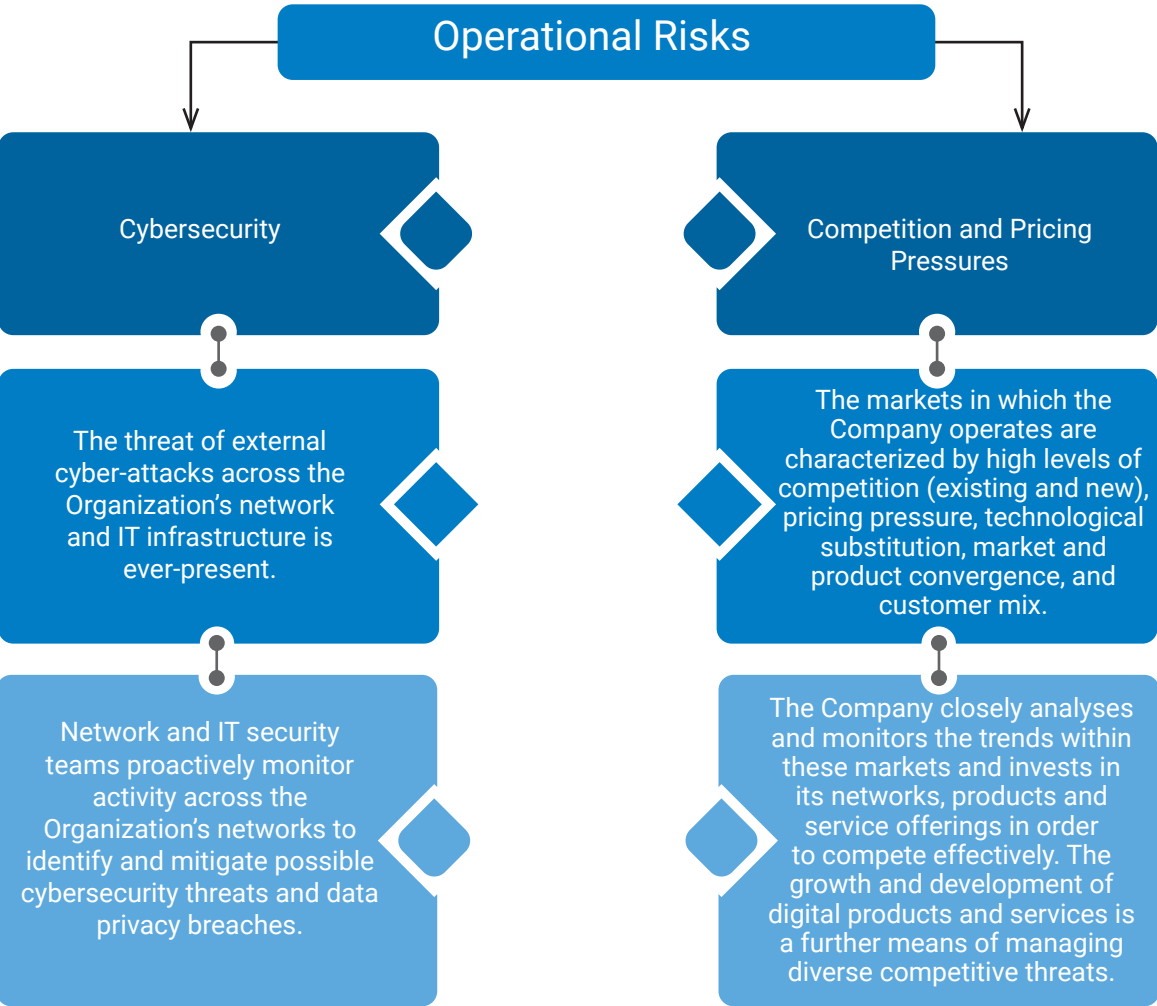
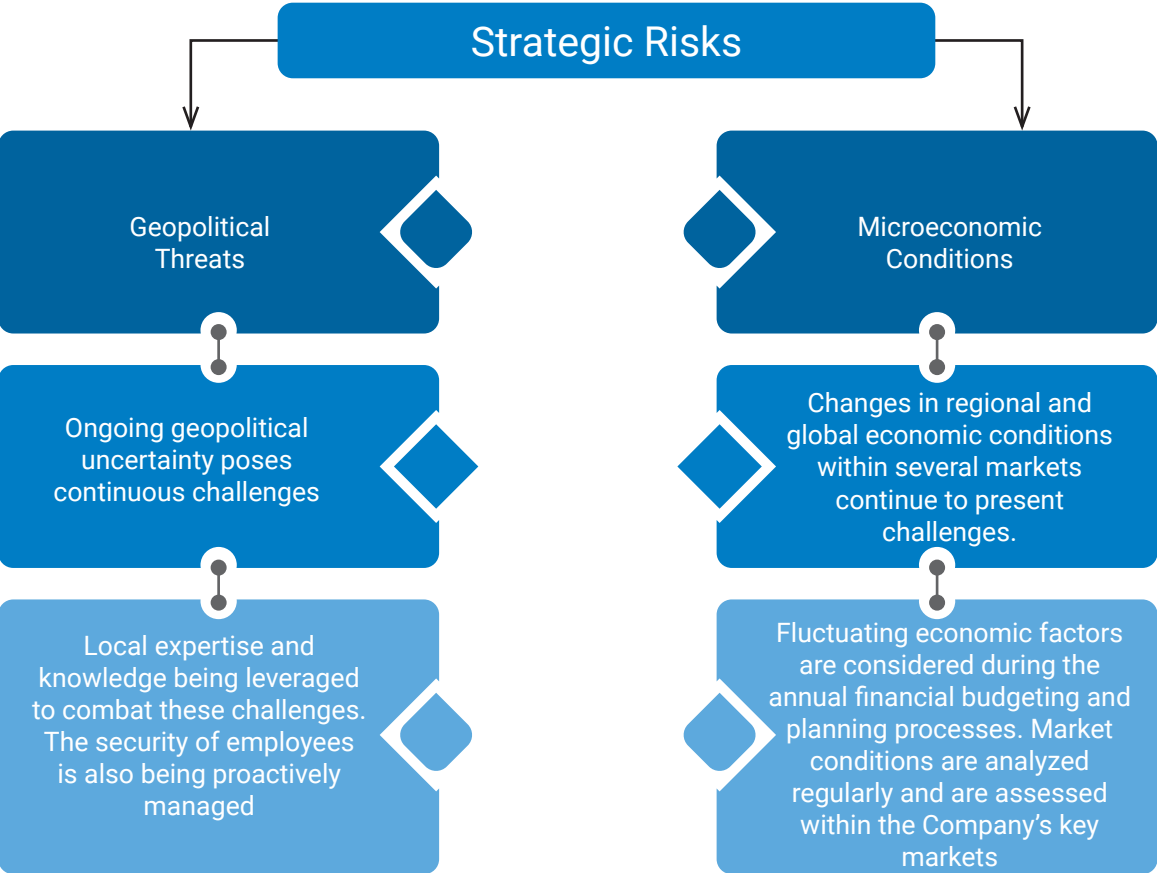
In support of the governance and control environment, the board through its Risk and Audit Committee oversees the Internal Audit function which provides independent and objective assurance and advice to management and the Board on the adequacy and effectiveness of governance and risk management. Through their mandate, Internal Audit supports the achievement of the Organization's objectives and facilitates the continuous improvement of the governance and control environment. To enhance the risk oversight and assurance provided to various stakeholders, the Company continues to integrate its processes for risk, compliance and governance oversight with business as well as other assurance functions in line with the concept of Combined Assurance. It ensures that the Company adequately addresses the changing risk landscape by ensuring risks are regularly monitored and communicated, controls are tested, and mitigations are implemented across the Company. Through the Combined Assurance practices, the Risk function assess the adequacy and effectiveness of the organization wide control environment and supports the provision of Combined Assurance to our stakeholders.

The Board and its sub-committees have the ultimate oversight responsibility for governance and risk management, which has been clearly articulated in the respective charters. The following depicts the three lines Model as defined within the Company:



Principal Risks

In accordance with our risk management process, we continually scan, assess and monitor the Company's risk and control environment, thereby proactively seeking to reduce risk exposures down to acceptable levels. In line with this process, the following summarizes a number of our principal risks and describes the high-level approach to managing these risks.



Governance Report 2022

► In accordance with the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to Resolution No. 5 of 2016.

Annual Governance Report 2022

CONTENT

Introduction

Definitions

Disclosures in Annual Report

First: Procedures followed by the Company in implementing the provisions of this Code

Second: Disclosure of any violations committed during the year, including violations and penalties imposed for non-compliance with the implementation of any of the principles or provisions of this Code, their reasons, the remedial measures taken, and ways to avoid the same in the future

Third: Disclosure of information relating to Board Members and Committees and Senior Executive Management in the Company and their responsibilities, powers, and activities during the year, as well as their remunerations

A. Board Members

1. Board Charter .
2. Board Responsibilities
3. Board Chairman
4. Board Meetings
5. Board Secretary
6. Board Committees
7. Internal Control System
8. External Control
9. Disclosure and Transparency Requirements
10. Stakeholder Rights
11. Shareholders' Rights Related to General Assembly
12. Facilitating Effective Participation in General Assembly & Voting
13. Shareholders' Rights Regarding Dividends Distribution
14. Shareholders' Rights Regarding Major Transactions
15. Stakeholders' Rights (Non-Shareholders)
16. The Company's Corporate Social Responsibility

B. Board Committees

1. Audit & Risk Management Committee
2. Nominations and Remuneration Committee
3. Executive Committee

C. Senior Executive Management in the Company and their responsibilities, powers, and work during the year, as well as their remunerations

D. Remunerations

Fourth: Disclosure of the procedures of risk management and internal control of the Company, including the supervision of financial affairs, investments, and any relevant information

Fifth: Disclosure of Committees' work, including number of meetings held and their recommendations

Sixth: Disclosure of the procedures followed by the Company in identifying, assessing, and managing risks; comparative analysis of the Company's risk factors; and discussion of the systems in place to address drastic or unexpected market changes

Seventh: Disclosure of the Board's performance assessment, Board members' commitment to achieving the Company's interest, performing Committees' work, and attending the meetings of the Board and its Committees; and disclosure of the Senior Executive Management's performance assessment regarding the implementation of the internal control system and risk management including identification of the number of appeals, complaints, proposals, notifications and the way followed by the Board to address regulatory issues

Eighth: Disclosure of failures into applying the internal control system, wholly or partly, or weaknesses in the implementation thereof; and disclosure of contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing internal control failures (particularly the problems disclosed in the Company's annual reports and financial statements)

Ninth: Disclosure of the Company's compliance with applicable Stock Market (QE) listing and disclosure rules and requirements

Tenth: Disclosure of any conflict or dispute to which the Company is party, including arbitration and lawsuits

Eleventh: Disclosure of operations and transactions entered into by the Company with any "Related Party"

Twelfth: Management's Report of Internal Control Over Financial Reporting

Thirteenth: Managements' Report on Compliance with QFMA Law and Relevant Legislations Including the Code.

Governance Report 2022

Introduction

Governance is one of the most important management and control systems for companies in general, and for listed shareholding companies in particular. Such importance is due to the fact that governance entrenches the principles of good governance; determines the functions and responsibilities of the Board of Directors, Senior Executive Management and employees of the Company; promotes the principles of justice and equality among stakeholders; ensures productive control and risk management; enhances transparency and disclosure; regulates stakeholder's rights; and promotes community advancement. This can improve the Company's performance in general, and inevitably ends in achieving the true meaning of the principle of upholding the interests of the public, the Company, and stakeholders, placing them before any other interest.

From that standpoint and based on the commitment of Estithmar Holding Q.P.S.C. to the principles of Corporate Governance Code for Companies and Legal Entities Listed on the Main Stock Market, particularly those promulgated under the QFMA Board of Directors' decision No. 5 of 2016, published in the Official Gazette on 15/05/2017, and out of the keenness of the Board to implement the rules of governance, the Company adopts the best management practices with a view to achieving a good governance level. By doing so, the Company aims to: promote the confidence of current and prospective investors; spread the Company's governance culture; consolidate the values of justice and equality among stakeholders and non-discrimination on the basis of race, gender and religion; promote transparency and disclosure and provision of information to the Authority and stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly; uphold the values of the Company's corporate social responsibility; giving the public interest of the Company and stakeholders a priority

over the personal interest, and undertake duties, tasks and functions in good faith, integrity, honor, and sincerity and take the responsibility arising therefrom before both stakeholders and society. All that can be achieved by establishing the following principles:

► Transparency

This principle is based on good faith, honesty, and openness; upholding of the values of self-censorship and integrity; exercising of great caution, diligence, and honesty in performing the tasks and functions assigned to each and every employee and official in the Company, including the Chairman, Board members, Senior Executive Management, all employees and other parties related to the Company. This principle determines the framework of disclosure and provision of the information required by the Authority, other regulatory bodies, or stakeholders at the right time and in the manner that enables the requester of information to take the proper decision. It also regulates insiders' way of dealing in the securities issued by the Company or any of its subsidiaries as well as serves to avoid and reduce conflicts of interest and achieve public interest under the concept of fair investment in the market.

► Responsibility Taking and Acknowledgement:

This principle aims to determine the rights, duties and responsibilities in the Company; develop an appropriate control mechanism to hold each official/employee accountable for his work and assess his performance; and assess the Company's overall performance in accordance with best international standards whether the control process is carried out internally by the Board and its committees or by the internal audit, each within its scope of competence, or externally by an auditor. It also aims to make each official acknowledge his responsibility even when delegating some of his functions or powers to others since such delegation is only related to tasks not responsibilities. In addition, this principle aims to outline the social responsibility of the Company and its role towards the development and prosperity of society and preservation of the environment. Justice and Equality:

► Justice and Equality:

Stakeholders, first and foremost shareholders, have equal rights and shall be treated without any discrimination whatsoever on the basis of race, gender or religion, and they shall have all the same rights arising from their share ownership or capacity in the Company. This principle also covers stakeholders' rights in the Company, whether shareholders or others that have a position or an interest in the Company, such as employees, creditors, clients, and suppliers. This is aimed to enable them to exercise and enjoy their rights, particularly the rights related to the General Assembly and accessible participation therein, including the rights to vote, candidacy and election of Board members, dividends, access information, and adopt the bonus and incentives policy in the Company, including bonuses of the Chairman and members of the Board and Senior Executive Management.

Commitment

The Company takes into account the protection of the rights of investors and stakeholders in general, enabling them to exercise such rights, as well as upholding of values of protecting the rights of minority shareholders and employees of the Company by adopting preferential treatment for small investors and minority shareholders. The pillars of such treatment involve: not allowing the majority to control the minority; not allowing one or more Board members to dominate the decision-making process; and adopting cumulative voting method in the election of Board members. This method of voting gives each shareholder voting rights equivalent to the number of shares owned by them and allows them to cast the said votes for a single candidate or divide them among selected candidates without any duplication of votes. The said method could increase the opportunities of minority shareholders to enjoy fair representation in the Board and provide an appropriate mechanism that enable all shareholders and other stakeholders to access information to the extent that protects the interests and rights of the Company and others, as well as a mechanism for submitting appeals and complaints and reporting any violations or risks that might threaten the Company.

► Definitions:

1.Company: Estithmar Holding Q.P.S.C. whose name was changed from Investment Holding Group Q.P.S.C. to Estithmar Holding Q.P.S.C. by virtue of the Extraordinary General Assembly held on 5/29/2022.

2.Chairman: The Board chairman.

3.Board: The Board of Directors of the company

4.Governance: System by which a company is directed and controlled. The governance specifies the foundations and principles of the distribution of rights and responsibilities among the different participations in the Company – such as the Board of Directors, managers, shareholders, and other Stakeholders – and spells out the rules and procedures for making decisions of the Company's affairs.

5.Executive Board Member: A Board member who performs an executive role and/ or has a full-time position.

6.Non-Executive Board Member: A Board member who does not have a full-time management position at the Company or who does not receive a wage.

7.Independent Board Member: A Board member, who has complete independence.

8.Corporate Governance Code: Qatar Financial Markets Authority (QFMA) Resolution No. 5 of 2016 for Companies and Legal Entities Listed on the Main Market and its amendments.

9.Law: Commercial Companies Law No. (11) of 2015 Amended by Law No. (8) of 2021.

10.Authority: Qatar Financial Markets Authority (QFMA).

11.Related Party: A person is considered a Related Party to the Company if that person is a Board member of the Company or a company of its Company; is a Member of the Senior Executive Management of the Company or any company of its Company; owns at least (5%) of the Company shares or any of its Company; or is a relative of any of the former mentioned to the second degree. It also includes the legal persons controlled by a member of the Board of the Company or any company of its Company or of Senior Executive Management and their relatives to the second degree, or that participated in a project or a partnership of any kind with the Company or any company of its Company.

► Disclosures in the Annual Report

The Board is committed to submitting an annual governance report in accordance with the applicable regulations. In its annual report, the Company shall disclose its commitment to apply the principles and provisions of the Governance Code. In case of non-compliance with any principle or provision of the Code for reasons accepted by the Authority, taking into account the public interest, the market interest or the protection of investors, the Company shall specify in the Governance Report the article or articles that it has not complied with and express the justifications for non-compliance or the reasons for violation, as the case may be, provided that the Governance Report is part of the annual report of the Company, including the following:

First: Procedures followed by the Company in implementing the provisions of this Code:

In fact, the Company has adopted the Governance Code No. 5/2016 since the Constituent General Assembly of the Company held on May 8, 2017, which approved the Company's Articles of Association and finally announced the establishment of the Company.

In 2022, the Company adhered to the application of governance systems. To explain, during 2022, the Company held nine (9) meetings for the Audit and Risk Management Committee, six (6) meetings for the Nominations and Remuneration Committee, Six (6) meetings for the Executive Committee, fourteen (14) Board meetings, two (2) Ordinary General Assembly meetings and three (3) Extraordinary General Assembly meetings.

At the level of the Board of Directors, the most important topics discussed were the discussion and approval of all the periodic financial statements at the specified times in accordance with the law and regulations, the Audit and Risk Management Committee reports during the fiscal year 2022 as well as the discussion of the reverse acquisition transaction of Elegancia Group WLL and its subsidiaries, the terms of the acquisition contract, the offer document, and the amendment of the company's Articles of Association, and submitted its recommendations to the General Assembly. The Board of Directors of the Company resigned on 15/3/2021 with all its members, and a new board of directors was elected at the General Assembly held on 11/4/2022. The elected Board of Directors consisted of seven (7) non-independent members and (4) four independent members for

a term of three years.

The new elected Board of Directors took the following decisions:

- Appointing the chairman and vice-chairman of the board of directors and the secretary of the board.
- Formation of the three board committees.
- Review all company policies.

The Board of Directors has called for two (2) meetings for the Ordinary General Assembly and three (3) meetings for the Extraordinary General Assembly where the first Ordinary meeting according to the following:

-The annual ordinary general assembly of the Company was held on 31/3/2022 to discuss the annual data for the year 2021 and on 11/4/2022 to elect a new Board of Directors for the Company following the resignation of the Board on 15/3/2022

-The Extraordinary General Assembly of the company was held on 4/11/2022 to approve the acquisition of Elegancia Group and its subsidiaries and to amend the Articles of Association, on 29/5/2022 to amend the Company's name and amend the trademark accordingly, and on 27/11/2022 to discuss the private placement or issuance of rights, the establishment of a sukuk program and the amendment Article 69 of the Company's Articles of Association.

In addition to the above, the Company made effective disclosures in a way ensuring justice and transparency, preventing conflicts of interest and exploitation of information not available to the public, and clarifying the rules to be followed when dealing in securities by insiders. The Board meetings, resolutions and recommendations, periodic financial statements, and the place and time of holding the General Assembly meetings were disclosed and all the essential data during the acquisition process, the decisions of the regulatory bodies and the Board of Directors in this regard, the resignation of the previous Board of Directors, the election of a new Board of Directors, the formation of its committees and the members of the new committees, the appointment of a new secretary for the Board of Directors, a list of the names and data of the members of the Board of Directors and its committees, the list of the insiders of material events, the recommendations of the committees, and the lawsuits. Also, the contracts signed by the company, the data of the subsidiaries that were established, all the periodic and immediate information, and the basic data of the Company were disclosed according to the applicable laws and regulations and notifications about essential matters.

During the Financial Year 2022, the Company carried out all disclosure procedures stipulated in the applicable laws and regulations, particularly to QFMA, Qatar Stock Exchange and Qatar Central Securities Depository. The Company's website was updated to keep the shareholders updated of all the news and disclosures issued by the Company.

Second: Disclosure of any violations committed during the year, including violations and penalties imposed for non-compliance with the implementation of any of the principles or provisions of this Code, their reasons, the remedial measures taken and ways to avoid the same in the future

Elegancia Group WLL ("Elegancia") announced in November 2021 that it, in partnership with IMG, had signed a contract with Qatari Diar and Qatar Tourism to establish and operate the "Winter Wonderland Project" on Al Maha Island in Lusail City. This advertisement was published in newspapers and on social networking sites.

The Company announced, in the Acquisition Circular prepared as part of the acquisition of Elegancia,

the "Winter Wonderland Project" on page 30.

The Acquisition Circular was notified to the Qatar Financial Markets Authority and published on the Company's website on 16/3/2022 and is still published to date.

And since Elegancia has become, one of Estithmar Holding subsidiaries, in accordance with the disclosures made to the Qatar Financial Markets Authority and other regulatory authorities, the aforementioned project has become one of Estithmar Holding's project.

Accordingly, the marketing department in Elegancia published, on 10/5/2022, an announcement about the components of the Al Maha Island project and used the name of the parent company, i.e. Estithmar Holding.

It should be noted that the Elegancia team, which joined a public shareholding company at the time, less than a month ago, did not take into account the need for disclosure because the project had been previously announced several times and was the subject of discussion on social media for months due to its importance.

In addition to the foregoing, Estithmar Holding Q.P.S.C., addressed the Qatar Stock Exchange and explained the matter and disclosed the project on the stock exchange platform upon its knowledge of the publication of the aforementioned announcement.

By reviewing the financial market on the date of publication of the announcement and on the day preceding the publication and the day following it, the Company believes that the announcement did not constitute material news or affect the price of Estithmar Holding's share in any way as usual in material news and this is confirmed by the study conducted by the Company.

This incident led to Qatar Stock Exchange calling the company to a hearing session, during which the Company explained what was mentioned above, and Qatar Stock Exchange issued a decision to warn the company. After that, the Company was summoned to a hearing for the same incident with the Qatar Financial Markets Authority and the Accounting Committee and the company is awaiting the outcome of the session

As a result, the Company organized periodic meetings to confirm the provisions that the Company and employees are required to abide by with regard to trading important and material information and identifying information that is considered material.

Third: Disclosure of information relating to Board Members and Committees and Senior Executive Management in the Company and their responsibilities, powers and work during the year, as well as their remunerations

► A. BOD Members:

The Board shall consist of eleven (11) members to be elected by the Ordinary General Assembly by secret ballot. As an exception, the Founders appointed the first Board, which remained in office for five years in accordance with the Company's Articles of Association.

Until 11/4/2022 the Board consisted of the following members:

SN.	Data, Brief CV, and Qualifications of Board Member
1	Mr. Khalid Ghanim Sultan Al Hodaifi Al Kuwari Chairman BA in Police Science from Durham Military College Businessman
2	Mr. Hamad Ghanim Sultan Al Hodaifi Al Kuwari Board Member (Non-Independent, Non-Executive) Military Science Diploma, Royal Military Academy Sandhurst, London, 2000 An officer in the Qatari Police Amiri Diwan
3	Sheikh Nasser bin Ali bin Saud Al Thani Board Member (Independent, Non-Executive) Board member of Ahli Bank
4	Mr. Hamad Abdulla Shareef Al Emadi Board Member (Independent, Non-Executive) Business Management Diploma from Arizona University MBA from Plymouth University CEO of Aljarah Holding Q.P.S.C.
5	Mr. Omar Abdulaziz Al-Marwani Board Member (Independent, Non-Executive) CPA from California Board of Accountancy, USA Board member in several major companies, such as Ooredoo & Katara Hospitality Former CFO of Qatar Investment Authority
6	Mr. Samir Hassan Abu Lughod Board Member (Independent, Non-Executive) BA in Accounting - Beirut Arab University and a member of the Jordanian Association of Certified Public Accountants. Chairman of the Audit Committee - ICC / Netherlands since 2016 Independent Member of the Board of Directors of Al Safwa Islamic Bank/ Jordan since 2017. Partner and former Director of Price Waterhouse (PWC) Jordan. Partner and former director of Ernst & Young (EY) Jordan. Partner and former Director of Arthur Anderson (AA) Jordan.
7	Mr. Abdul-Rahman Ghanim Sultan Al Hodaifi Al Kuwari Board Member (Non-Independent, Non-Executive) BA in Police Science from Durham Military College Businessman

SN.	Data, Brief CV, and Qualifications of Board Member
8	Mr. Mohammed Ghanim Sultan Al Hodaifi Al Kuwari Board Member (Non-Independent, Executive) BSc in Technological and Information Business Administration, Accounting Department, Higher Technological Institute, Egypt Deputy CEO of Investment Holding Company Q.P.S.C. Businessman
9	Mr. Sultan Ghanim Sultan Al Hodaifi Al Kuwari Board Member (Non-Independent, Non-Executive) Business Administration Diploma, Qatar University, 1996 MA in Diplomatic Studies, University of Westminster, UK, 2001 Emiri Diwan, Head of His Highness Emir Office for Personal Affairs
10	Mr. Abdul-Aziz Ghanim Sultan Al Hodaifi Al Kuwari Board Member (Non-Independent, Non-Executive) BSc in Business Administration, Plymouth University, UK, 2011 International Bank of Qatar - Corporate Relations Manager (20/11/2011 - 31/05/2013) Training courses and experience at the National Bank of Kuwait in New York and the UK Amiri Diwan - Amiri Protocols

Following the resignation of the Board of Directors, the General Assembly elected on 11/4/2022 the current Board of Directors, which consists of the following members:

SN.	Data, Brief CV, and Qualifications of Board Member
1	Mr. Mohammad Moutaz Al-Khayyat Chairman Chairman of Power International Holding a business conglomerate that operates in several sectors being contracting, industries, services, agri-food industries, real estate, hospitality tourism, entertainment, and healthcare. Chairman of UCC Holding. Chairman of Baladna QPSC, Qatar's leading dairy company Chairman of Assets Group real estate development Chairman of Aura Group, Qatar's biggest F&B and entertainment group Mr. Mohammad Moataz holds a bachelor's degree in Global Business from the University of West Scotland, United Kingdom

SN.	Data, Brief CV, and Qualifications of Board Member
2	<p>Mr. Ramez Al Khayyat Vice Chairman</p> <p>Vice Chairman and Group CEO of Power International Holding a business conglomerate that operates in several sectors being contracting, industries, services, agri-food industries, real estate, hospitality, tourism, entertainment, and healthcare. Vice Chairman and Managing Director of UCC Holding . Managing Director of Baladna QPSC, Qatar's leading dairy company, Vice Chairman and Managing Director of Assets Group real estate development. Vice Chairman and Managing Director of Aura Group, Qatar's leading Hospitality and Entertainment Group. Mr. Ramez holds a bachelor's degree in Global Business from the University of West Scotland, United Kingdom.</p>
3	<p>Mr. Khalid Ghanim S Al-Hodeifi Al-Kuwari Board Member (Non-Independent, Non-Executive)</p> <p>Mr. Khalid is a board member of Estithmar Holding since 2017. Mr. Khalid is a retired Officer in the Qatari Ministry of Interior. He is also a businessman. Mr. Khalid holds a bachelor's degree in Police Sciences from the Durham University College in England.</p>
4	<p>Mr. Hamad Ghanim S Al-Hodeifi Al-Kuwari Board Member (Non-Independent, Non-Executive)</p> <p>Mr. Hamad is a board member of Estithmar Holding since 2017. Mr. Hamad is a former Officer at the Qatari Armed Forces from 2000 till 2006 as well as at the Qatari Police. Additionally, Mr. Hamad worked at Emiri Diwan of the State of Qatar. Mr. Hamad holds a Diploma in Military Science from the Royal Military Academy Sandhurst England.</p>
5	<p>Mr. Mohammed Ghanim S Al Hodifi Al-Kuwari Board Member (Non-Independent, Non-Executive)</p> <p>Mr. Mohammed is a board member of Estithmar Holding since 2017. Mr. Mohammed is a former Leader in the Ministry of Interior from 1988 till 2003. Mr. graduated from Higher Technological Institute - Accounting Division, with a Management Information Systems Degree</p>

SN.	Data, Brief CV, and Qualifications of Board Member
6	<p>Sheikh Suhaim Bin AbdulAziz Al Thani Board Member (Independent, Non-Executive)</p> <p>Sheikh Suhaim is currently working in the position of managing the protocol for the visit and meeting of His Highness the Emir, in the Protocol Department at the Amiri Diwan. Vice President of Qatar Sports Club, Head of Al-Bidaa Group, Chairman of the Board of Directors of Al-Bidaa Switchgear. Sheikh Suhaim holds a bachelor's degree in business administration and marketing - Arab Academy of Sciences - Egypt, and a master's degree in business administration- University of Plymouth - United Kingdom</p>
7	<p>Mr. Abdulla Darwish Al Darwish Board Member (Independent, Non-Executive)</p> <p>Chairman of the Board of Directors of Energy City Company, Member of the Executive Committee of Energy City Company, Vice President of Al-Bidaa Group, Vice Chairman of the Board of Directors of Al-Bidaa Electrical Switchgear, Chairman and CEO of the Andalusian Hospitality Company - Malaga - Spain. Mr. Abdulla holds a bachelor's degree in business administration from Northampton University - United Kingdom, he holds a Diploma in Business Administration from North Atlantic College</p>
8	<p>Dr. Bothaina Al Ansari Board Member (Independent, Non-Executive)</p> <p>Chairman of the Board of Directors of Just State Real Estate Company, Member of the Association to Promote the Role of Women in the Technological Sector - Hillary Clinton Initiative, Vice-Chairman of the Board of Directors of Graduates in Qatar and Secretary of the Fund, Vice President of the Association of MBA Alumni - Qatar University, Honorary Ambassador of the Qatar Cancer Society. She was awarded the title of 'Businesswoman of the Year 2011' Entrepreneur magazine. Dr. Bothaina Al Ansari holds a PhD in Business Administration from Nottingham Trent University - United Kingdom and a master's degree in business administration - Qatar University, she holds a master's degree in strategic planning - the American University - Cairo - the Arab Republic of Egypt and graduated from Qatar Leadership Center Executive Program</p>

SN. Data, Brief CV, and Qualifications of Board Member

9 **Mr. Ibrahim Abdulla Al Abdulla**
Board Member (Independent, Non-Executive)

Mr. Ibrahim has more than twenty-five years of experience in the real estate and administrative fields, especially in local and foreign human resources. He also held many high administrative positions during his work in the state.

Mr. Ibrahim is a member of the Board of Directors of the Granada Trading Company, a member of the Board of Directors of the Lighting Design Company, and Director of Asian-African Human Resources in the Qatari Diar Company

Mr. Ibrahim holds a bachelor's degree from the College of Science - Qatar University.

10 **Mr. Eyad Abdulrahim representing Urbacon for Trading and Contracting WLL**
Board Member (Non-Independent, Executive)
Managing Director

Mr. Eyad brings over 25 years of experience in leading Finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors.

Mr. Eyad has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA LTD, Standard Chartered Bank, and Arab Bank.

He has led several IPOs in the region in addition to major restructuring, complex money market transactions, and growth responsibilities within his career.

Eyad is a well-proven leader within the Finance community in the MENA area and the GCC in particular.

He holds an MBA degree from UOWD in Dubai and a degree in Accounting and Finance.

11 **Mr. Mohamad Mohamad Sadiq Al-Dawamaneh representing Highness Holding Company WLL**
Board Member (Non-Independent, Non-Executive)

Mr. Mohamad is the Business Development Manager of Power International Holdings.

Mr. Mohamad holds a bachelor's degree in civil engineering - Geotechnical Engineering - College of Civil Engineering

The Company is committed to the competence and effectiveness of Board members. It shall ensure that Board members are qualified with sufficient knowledge of administrative matters and relevant experience to perform their duties effectively, and that they devote enough time to do their job with integrity and transparency in order to achieve the Company's interest, goals and objectives. Board members shall meet the applicable requirements, namely: None is under twenty-one years of age; none has been sentenced to a criminal penalty, or an offence against honor or integrity, or any of the crimes referred to in Article 40) of Law No. 8 of 2012 on Qatar Financial Markets Authority, and Articles (334) and (335) of Law No. 11 of 2015 promulgating the Commercial Companies Law; none is banned from practicing any work in the entities subject to the Authority's oversight under Article (35 (paragraph 12)) of Law No. 8 of 2012 referred to; and none has been declared bankrupt, unless they have been rehabilitated.

Moreover, all the Board of Directorss members, with the exception of the independent members and Mr. Mohammad Ghanem Sultan Al-Hudaifi Al-Kuwari as will be explained below, are shareholders and owners of "100,000 shares" one hundred thousand shares of the Company's shares mentioned in the Company's Articles of Association.

Such shares shall be deposited with the Depository Authority with restriction of trading, mortgage or seizure until the end of membership period and approval of the Financial Statements of the last fiscal year in which the member performed his duties. Such shares shall also be allocated to guarantee the rights of the Company, shareholders, creditors and third parties for the liability against Board members.

(It should be noted that the guaranteed shares belonging to Mr. Mohammad Ghanem Sultan Al-Hudaifi Al-Kuwari were sold in implementation of a judicial ruling, and he repurchased new shares, which were also sold.

Accordingly, the Company officially informed him of the need to comply with the provisions of the laws in force and to purchase the guaranteed shares, and when he did not buy new shares, the Company sent him a letter with a deadline for the shares purchase, otherwise the regulatory authorities will be notified.

Mr. Mohammad Ghanem Al-Hudaifi sent a letter to the company committing to purchase the guarantee shares and maintain them throughout his membership term.)

The members of the Board also acknowledged not occupying any position prohibited by law to be combined with the membership of the Board, based on written declarations signed on 26/12/2022,.

The Board shall ensure that no one or more members shall control the decision-making process in the Company by approving the Company's authority matrix. The authority matrix detailed the powers of the Board, Executive Management, general managers, and senior employees in the Company and its subsidiaries in terms of decision making, including plans and budget, corporate governance, periodic reports and control, policies and procedures, salary scales, employee relations and affairs, banking and financial matters, payment and contractual obligation signing powers, stock inventory pricing, contract amendments, financial and legal settlements, disposal of assets and debt clearances, and public relations. It also included a detailed analysis of the control systems and risk policies of the Company and its subsidiaries.

In addition to the above, the Company shall ensure that no Board member may combine any of the prohibited positions at the same time. That is, no Board member, whether in person or in capacity, may serve as a board chairman or a vice-chairman for more than two companies headquartered in the State, nor serve as a board member for more than three shareholding companies headquartered in the State, nor serve as a delegated director in more than one shareholding company headquartered in the State, nor combine two board memberships of two companies exercising a homogeneous activity. The Company shall not allow combining the position of the Board Chairman with any other executive position in the Company.

▶ 1. Board Charter:

The Company committed to preparing the Charter of the Board in 2017 and published it on its website www.estithmarholding.com. It shall amend the Charter according to the circumstances.

▶ 2. Board Responsibilities:

The Board shall represent all shareholders and exert due diligence and care in managing the Company in an effective and productive manner so as to achieve the interest of the Company, partners, shareholders and stakeholders, and achieve public interest as well as promote investments in the State and enhance community development. The Board shall also bear the responsibility for protecting shareholders from illegal or arbitrary practices and business, or from any acts or decisions that may be harmful to them, cause discrimination among them, or let a Company dominate another.

The responsibilities of the Board are clearly defined in the Company's Articles of Associations and in "the Board Charter" referred to above.

Without violating the provisions of the law, the Board shall carry out its functions and duties and bear its responsibility according to the following:

- The Board shall carry out its duties responsibly, in good faith and with due diligence. Its decisions shall be based on sufficient information received from the Executive Management, or from any other reliable source.
- A Board member shall represent all shareholders and shall be committed to achieving whatever is in the interest of the Company, not the interest of the person he represents or the person that voted in favor of his appointment to the Board.
- The Board shall determine the powers to be delegated to the Executive Management and the procedures for taking any decision and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The Executive Management shall submit to the Board periodic reports on the exercise of delegated powers in order to consider the proposed recommendations and make administrative decisions thereon.
- The Board shall ensure that procedures are laid down for familiarizing the new Board members with the Company's business and, in particular, the financial and legal aspects, and providing them with the necessary training.
- The Board shall ensure that sufficient information about the Company is made available to all Board members in general, and to non-executive members in particular, to enable them to perform their duties and roles efficiently.
- The Board didn't conclude any loan contracts with terms exceeding three years and did not sell or mortgaged the property of the Company, or discharged the Company's debtors from their obligations, unless it is authorized to do so under the Company's Articles of Association and according to the conditions stipulated therein. In case the Company's Articles of Association contains provisions in this regard, the Board did not act without the approval of the General Assembly, unless such acts fall within the normal scope of the Company's purposes.
- The Board assumed all the powers and authorities necessary to manage the Company and delegated some functions to its committees, particularly the Audit and Risk Management Committee, the Nominations and Remuneration Committee, and the Executive Committee. However, the Board is not bound by the recommendations made in the minutes of the committees.

▶ 3. Board Chairman:

The Chairman serves as the head of the Company, represents it before others and before the judiciary, is primarily responsible for ensuring the proper management of the Company in an effective and productive manner, and works to achieve the interest of the Company, partners, shareholders, and stakeholders. The Board Charter defines the tasks and responsibilities of the Chairman as follows:

- Ensuring that the Board discusses all the main issues in an efficient and timely manner;
- Approving the agenda of the Board meeting, taking into consideration any matter proposed by any Board member;
- Encouraging all Board members to collectively and effectively participate in the conduct of the Board's affairs to ensure that the Board is undertaking its duties to achieve the best interest of the Company;
- Making available for the Board members all data, information, documents and records of the Company, and the Board and its committees;
- Creating effective communication channels with shareholders and communicating their opinions to the Board;
- Allowing effective participation by non-executive Board members in particular and promoting constructive relations between executive and non-executive Board members; and
- Keeping Board members constantly informed about the implementation of the provisions of the Governance Code, allowing the Chairman to authorize the Audit and Risk Management Committee or others in this regard.

▶ 4. Board Meetings:

The Board shall meet at the invitation of its Chairman in accordance with the Company's Articles of Associations or at the request of two of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the appointed date of the meeting. Any member may request the addition of one or more items to the agenda, and the Chairman shall confirm the addition of such new items to the agenda. During 2022, the Board held fourteen (14) Board meetings, at intervals not exceeding three months. Those meetings were attended by the majority of members. All members participated in the meetings of the Board in person or by means of modern communication technology, so that all members heard and participated in the proceedings of the Board and the issuance of its decisions.

The decisions of the Board were always passed by a majority vote of those present or their representatives. All meetings were signed by the Chairman and the Secretary, as well as all members present. Some decisions were issued in a written and valid form that is enforceable for all purposes, with at least half of the members signing in accordance with Article 33 of the Company's Articles of Association.

All the minutes of meetings were signed by the Chairman and the Secretary. Accordingly, the Board complied with the provisions of Article 104 of the Companies Law, Article 14 of the Governance Code, and Article 33 of the Company's Articles of Association.

The schedule of Board meetings in 2022 is as follows:

Meeting No.	Date	Meeting Agenda	Attended Directors
1/2022	24/1/2022	1- The latest developments in the acquisition process with Elegancia Group LLC 2- The 2022 budget. 3- Liquidation of the Electromechanical Engineering Company. 4- Developments of the Investment Holding Group Q.P.S.C. and its subsidiaries. 5- Resignation of the group's employees. 6- Discussing the CEO's resignation	9
2/2022	9/2/2022	Special powers of the Chairman of the Board of Directors of the Investment Holding Group Q.P.S.C	9
3/2022	31/2/2022	1- Changing the representatives of the Investment Holding Group Q.P.S.C. in the Board of Directors of the Electromechanical Engineering Company W.L.L. 2- Changing the representatives of the Investment Holding Group Q.P.S.C. in the Board of Directors of United Engineering Systems W.L.L. 3- Changing the representatives of the Investment Holding Group Q.P.S.C. in the Board of Directors of Watermaster Qatar W.L.L. 4- Changing the representatives of the Investment Holding Group Q.P.S.C. in the Board of Directors of United Supplies Company W.L.L. 5- Deletion of the name of Mr. Samer Wehbe from the commercial register and the establishment registration of the group and its subsidiaries	
4/2022	15/2/2022	Discussing the resignation of the CEO of Investment Holding Group Q.P.S.C	8
5/2022	27/2/2022	Discussing the amendments proposed by Elegancia to the offer document	8
6/2022	6/3/2022	1-Discussing the consolidated balance sheet of the company, the profit and loss statement, the statement of financial flows and the clarifications for the year ending on 31/12/2021 compared to the fiscal year ending on 31/12/2020 certified by the company's auditors and the report of the Board of Directors on the company's activity, financial position and future plans Discussing the governance report. 2-Discussing the report of the Audit and Risk Committee on the financial statements on the company's activities and its financial position during the fiscal year ending on 31/12/2021.	6

The schedule of Board meetings in 2022 is as follows:

Meeting No.	Date	Meeting Agenda	Attended Directors
		3- Discussing offers to appoint account auditors and determine their profits. 4- Discussing and recommending to the General Assembly about distributing profits to shareholders 5- Determining remuneration of the members of the Board of Directors. 6- Inviting the annual general assembly of the company to convene and renew their agenda.	
7/2022	7/3/2022	Discussing granting non-independent board members a follow-up allowance	9
8/2022	15/3/2022	The resignation of all the current members of the Board of Directors following the issuance of a decision by the Qatar Financial Markets Authority to accept the acquisition process and to invite the Ordinary and Extraordinary General Assembly to convene and open the door for candidacy	7
9/2022	23/3/2022	Examining the applications of candidates to occupy the positions of seven non-independent members and four independent members of the Board of Directors of the Investment Holding Group Q.P.S.C., and identifying the candidates who meet the candidacy requirements and whose names will be presented to the Ordinary General Assembly to be invited to elect a new board of directors for the group	9
10/2022	11/4/2022	1- Election of Chairman and Vice Chairman of the Board, and the MD; 2- Appointment of Board Secretary; 3- Approval of Setting up Board Committees (ExCom, Risk & Audit, and NRC), and appointing the committees chairpersons and members and the directors sitting fees. 4- Appointment of IHG's CEO and CFO; 5- Approval of IHG's authorized signatories (CR); 6- Delegation of the (Vice Chairman) to represent IHG (EG) and amend authorized signatories, CRs, TLs and other official documents; 7- Approval of IHG's Bank Signatories; 8- Approval of IHG's DoA; 9- Approval of the Management Agreement with PIH (and reviewing the independent 3rd part report on its arms-length position).	11

The schedule of Board meetings in 2022 is as follows:

Meeting No.	Date	Meeting Agenda	Attended Directors
11/2022	25/4/2022	1. Acknowledge the meeting minutes of the last Board meeting No. 10/2022 dated April 11, 2022 2. Acknowledge the resolutions issued in the last Board meeting No. 10/2022 dated April 11, 2022 3. Approval of IHG's Un-Reviewed /Un-audited financial statements for the period ended March 31, 2022, as per the AC Recommendation. 4. Acknowledge the results of the ExcCom Meeting No 1 /2022. 5. Acknowledge the results of the N&R Committee's Meeting No 1 /2022. 6. Any other business	11
12/2022	23/6/2022	1. Acknowledge the Board Minutes of Meeting No. 11/2022 dated April 25, 2022 2. Acknowledge the Board Resolutions issued in Meeting No. 11/2022 3. Acknowledge the Board Resolutions by Circulation 4. Acknowledge the Results of the NRC Meeting No. 2/2022 5. Acknowledge the Results of the ExCom Meeting No. 3/2022 6. Acknowledge the Results of the AC Meeting No. 2/2022 7. Any Other Business	6
13/2022	11/8/2022	1- Acknowledge the minutes of the last Board meeting dated June 23, 2022. 2- Acknowledge the resolutions issued in the last Board meeting dated June 23, 2022. 3- Endorse the results of the Risk & Audit Committee meeting No. 3/2022. 4- Approve the company's Reviewed /Un-audited financial statements for the period ended June 30, 2022. 5- Approve the settlement with QNB Capital regarding the success fee as per the agreement signed with IHG upon the completion of the of the reverse acquisition. 6- Approve amending the current profit distribution policy from (40%-60%) to become up to 85% of net profit. 7- Any other business - Proposal of Capital Increase and Sukuk Program - Postpone the sale of shares for major shareholders.	11

The schedule of Board meetings in 2022 is as follows:

Meeting No.	Date	Meeting Agenda	Attended Directors
14/2022	27/10/2022	1. Acknowledge the minutes of the last Board meeting dated August 11, 2022. 2. Acknowledge the resolutions issued in the last Board meeting dated August 11, 2022. 3. Endorse the results of the Nomination and Remuneration Committee meeting No. 3/2022 4. Endorse the results of the Executive Committee meeting No. 5/2022. 5. Endorse the results of the Risk & Audit Committee meeting No. 4/2022. 6. Approve the company's Reviewed /Un-audited financial statements for the period ended September 30, 2022. 7. Acquisition proposal (Al Bidaa Switchgear WLL) 8. Discussing the possibility of Estithmar Ventures Real Estate Development WLL, a fully owned Subsidiary of Estithmar Holding, acquiring a resort in the Maldives, and proceeding with the required studies. 9. Approve the amendments to the DoA . 10. Any other business.	10

► 5.Board Secretary:

The Secretary provided the needed assistance for the Chairman and all members of the Board in conducting their duties and committed to the conduct of all work of the Board, including:

- Recording the minutes of Board meetings, setting out the names of attending and absent members, indicating all that has taken place during meeting discussions, and recording members' objections to any decision issued by the Board.
- Recording Board decisions in the register prepared for this purpose as per issuance date.
- Recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date, setting out the names of attending and absent members, meeting discussions, and members' objections, if any.
- Keeping Board meetings' minutes, decisions, and reports, as well as all Board records and correspondence in paper and electronic records, as the case may be. Invitations were always sent electronically, and none of the Board members objected. The Secretary confirmed that invitations were delivered to all members.
- Sending to Board members and participants - if any - the meeting invitations accompanied with the agenda at least one week prior to the appointed date of the meeting and receiving members' requests to add one or more items to the agenda and indicating the submission date thereof.
- Fully coordinating between the Chairman and members, and among members themselves, as well as between the Board, Related Parties and Stakeholders in the Company, including shareholders, management, and employees.
- Enabling the Chairman and members to have timely access to all information, documents, and data of the Company.

• Keeping Board members' acknowledgments of not combining prohibited positions according to the law and the provisions of this Code. In this regard, the Board's decision No. 12/2018, dated 13 June 2018, was issued to inform the Board of the positions prohibited to be combined by Board members. The Chairman and members of the Board acknowledged that they are fully aware of this requirement and declared that they do not occupy any of the positions prohibited to be combined.

► 6. Board Committees:

Since its incorporation, the Board of Directors has two committees, the Audit and Risk Committee and the Nominations and Remunerations Committee. On April 11, upon the election of a new Board of Directors for the Company, the Board of Directors formed the third committee, which is the Executive Committee.

The Board prohibited chairing more than one of the Board Committees mentioned in the governance regulations. The chairmanship of the Audit Committee was not combined with the membership of any other committee. None of the committees held a meeting except with the attendance of its chairman and at least one member. Minutes were prepared for each meeting, indicating meeting discussions, and signed by the committee's chairman and the members present.

Committees shall submit annual reports to the Board, including their work and recommendations. The Board approved the recommendations of the committees at its first meeting after the convening of these committees. In this regard, the Board shall include the work of the committees in the annual report.

► 7. Internal Control System:

The Company shall adopt the policy and proposal submitted by the Audit and Risk Management Committee on the Company's internal control system. The said proposal shall include a control mechanism; the duties and functions of the Company's departments and divisions as well as the provisions and procedures of responsibility therein; and awareness and education programs for employees about the importance of self-control and internal controls. It shall also include the Company's risk management plan that identifies, at least, the major risks that the Company may face, particularly those related to new technology; determines the Company's ability to take risks; sets up mechanisms to identify, measure and monitor risks; and implements awareness programs and develops ways to mitigate them. The Internal Control System of the Company shall include establishing one or more efficient and independent units to assess and manage risks, carry out financial audit, and oversee the Company's compliance with the controls of financial transactions, especially those done with any Related Party. The said unit shall be managed by one or more internal auditors enjoying competence and experience in financial audit, performance assessment and risk management. The internal auditors enjoy access to all the Company's departments to follow up their work. A decision was issued by the Board regarding the appointment, functions and remuneration of internal auditors. They shall report to the Board.

The internal auditor shall submit to the Audit and Risk Management Committee a report every three months on the Company's internal control work. Based on the recommendation of the Audit and Risk Management Committee, the Board shall determine the data to be included in the report, including at least the following:

- Procedures of control and supervision in respect of financial affairs, investments, and risk management.
- Review of the development of risk factors in the Company and the suitability and effectiveness

of the systems adopted by the Company to face the drastic or unexpected changes in the market.

- Comprehensive assessment of the Company's performance regarding its implementation of the Internal Control System in compliance with provisions of this Code.
- The Company's compliance with applicable market listing and disclosure rules and requirements
- The Company's compliance with Internal Control Systems when determining and managing risks.
- The risks faced the Company and their types, causes and the actions taken in relation thereto.
- Proposals for addressing violations and eliminating the causes of risks.

► 8. External Control:

The Audit and Risk Management Committee shall review and study the offers of External Auditors registered in the Authority's External Auditors List, and then submit to the Board a recommendation with reasons to choose one or more offers to appoint the Company's external auditor. Once the Board has approved the recommendation, it shall be included in the agenda of the Company's General Assembly meeting. The General Assembly shall appoint one or more external auditors for one-year renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no external auditor may be reappointed before the passing of two consecutive years.

► 9. Disclosure and Transparency Requirements:

The Board shall comply with the disclosure requirements, including the financial reports, the number of shares owned by the Chairman, Board members, Senior Executive Management, and major shareholders or controlling shareholders. It shall also comply with the disclosure requirements regarding the information related to the Chairman, Board members and Board committees, as well as their academic and practical experiences as reflected in their CVs, and whether any of them is a member of the board, senior executive management, or board committees of another company.

The Company made all immediate and periodic disclosures in accordance with the QFMA's regulations, notably the Offering and Listing of Securities Rulebook issued by QFMA by Decision No. 3 of 2010 as amended in its entirety, particularly Articles 48 et seq. It disclosed the financial statements for the fiscal year ended 2021 as well as the financial statements for the first quarter, first half and third quarter of the fiscal year 2022. The Board disclosed the number of shares held by the Chairman, members of the Board and major shareholders, and the information related to the Chairman and members of the Board according to the law, especially on the Company's website www.estithmarholding.com. The Company also maintained updated copies of the Shareholders' Register at the end of each month since the establishment of the Company.

The shares held by the Chairman and members of the Board, the Senior Executive Management and major shareholders, and their percentage of the Company's capital until 31/12/2022, are as follows:

Name	Title	Number of Shares	Capital Share (%)
Mr. Mohammad Moutaz Al-Khayyat	Chairman of the Board	649,850,766	19.09%
Mr. Ramez Al Khayyat	Vice Chairman of the Board	649,850,766	19.09%
Mr. Khalid Ghanim S Al-Hodeifi Al-Kuwari	Board Member	7,666,120	0.23%
Mr. Hamad Ghanim S Al-Hodeifi Al-Kuwari	Board Member	8,092,020	0.24%
Mr. Mohammed Ghanim S Al Hodifi Al-Kuwari	Board Member	-	-
Sheikh Suhaim Bin AbdulAziz Al Thani	Board Member-Independent	-	-
Mr. Abdulla Darwish Al Darwish	Board Member-Independent	-	-
Dr. Bothaina Al Ansari	Board Member-Independent	-	-
Mr. Ibrahim Abdulla Al Abdulla	Board Member-Independent	268,500	0.01%
Mr. Eyad Abdulrahim representing Urbacon for Trading and Contracting WLL	Board Member Managing Director	637,504,375	18.73%
Mr. Mohamad Mohamad Sadiq Al-Dawamaneh representing Highness Holding Company WLL	Board Member	7,430,000	0.22%
Mr. Hassan Morad Agha	Secretary of the Board	-	-
Mr. Henrik Halager Christiansen	Group Chief Executive Officer	-	-
Mr. Gerard Hutchinson	Chief Financial Officer	-	-

Name	Title	Number of Shares	Capital Share (%)
Mrs. Sanaa Daakour	Group Legal Affairs Director	-	-
Mr. Riad Al Sowaity	Group HR Director	-	-
Mr. Salem Aladbi	Government & Public Relations Director	-	-
Mr. Mohammad Fahed	Investor Relations Manager	-	-

Major shareholders who own more than 5% of the Company's capital as of 31/12/2022 is:

Name	Number of Shares	Capital Share (%)
Mrs. Sumaia Saber Hamcho	694,657,846	20.41%
Mr. Mohammad Moutaz Al-Khayyat	649,850,766	19.09%
Mr. Ramez Al Khayyat	649,850,766	19.09%
Urbacon for Trading and Contracting WLL	637,504,375	18.73%

The Company is committed to disclosing transactions and dealings with Related Parties as well as the transactions made by Board members, Senior Executive Management and insiders.

The Company is also committed to determining its policy on dealing with rumors by denying or confirming, through the official spokesman of the Company mentioned above. Moreover, the Company is committed to making clear disclosures in writing and in a manner not inconsistent with the Authority's relevant legislation. The Board shall ensure the accuracy and validity of the Company's disclosures and its commitment to all disclosure rules.

▶ 10. Stakeholder Rights:

The Company is committed to ensuring equal treatment of all shareholders. Its Articles of Association include the shareholders' rights to cumulative voting, dispose of shares, receive dividends, and attend General Assembly meetings and participate in deliberations and vote on their decisions. The Company is also committed to allowing shareholders to request any information but with no harm to the interests of the Company. In this respect, the Company has a website that enables all shareholders to view its documents and information, including but not limited to:

- List of Board members, showing independent and non-independent members and executive and non-executive members, and determining the term of Board seat for each member separately and indicating whether the member occupies a seat in any of the boards of other companies.
- The Secretary of the Board and the decision to appoint him, along with his academic qualifications or experience certificate in accordance with Article 16 of the Corporate Governance Code and the

legal entities listed on the Main Stock Market.

- List of the Company's authorized signatories.
- List of Insiders.
- Shareholding ratio of Board members in capital.
- Capital structure and major shareholders' share in the Company's capital.
- An explanatory statement detailing the Company's structure of ownership in any subsidiary and determining ownership ratios.
- The Company's organizational structure showing senior executives.
- Articles of Association.
- Commercial Register.
- List of the Company's policies and procedures.
- External Auditor.
- Contact data.
- Articles of Association and Memorandum of Association and the amendments thereof.
- Governance Charter.
- Financial Statements.

▶ 11. Shareholders' Rights Related to General Assembly:

The Company's Articles of Associations include regulating the shareholders' rights related to the General Assembly Meeting, including:

- Articles 45 and 55 of the Company's Articles of Association of the Company provide for the right of shareholder(s) owning at least 10% of the Company's capital, and for serious reasons, to invite the General Assembly to convene, and the right of shareholders representing at least 25% of the Company's capital to invite the Extraordinary General Assembly to convene pursuant to the procedures prescribed by the law and regulations in this regard.
- Article 46 of the Articles of Association provides that if a number of shareholders representing at least 5% of the Company's capital require the inclusion of certain matters on the meeting agenda, the Board must include them. Otherwise, the General Assembly may decide to discuss these matters at the meeting.
- Article 49 of the Company's Articles of Association provides for the right to attend meetings of the General Assembly; to have the opportunity to participate actively in these meetings and in deliberations taking place therein; to discuss the matters on the agenda; and to be informed about the date and place of the General Assembly meeting, the issues included in the agenda and the rules governing discussions and asking of questions. Moreover, shareholders are entitled to ask questions to Board members and receive answers from them to the extent that this does not jeopardize the interests of the Company. They are also entitled to appeal to the General Assembly if the answer to their questions is deemed insufficient, and the General Assembly's decision shall be binding in this respect.
- Article 48 of the Company's Articles of Association provides for the right of a shareholder to appoint, by virtue of a written special and fixed proxy, another shareholder who is not a member of the Board to attend the meeting of the General Assembly on his behalf, provided that the number of shares held by the proxy shall not exceed 5% of the Company's capital shares. In addition, minor and interdicted shareholders are entitled to attend the meetings of the General Assembly, and they are represented by their legal representatives. Shareholders are also entitled to vote on the General Assembly's resolutions and to receive all information on the rules and procedures governing the voting process.
- Shareholders have the right to object to any decision that is deemed to be issued for the interest or harm of a certain Company of shareholders, or that brings a special benefit to the members of the

Board or others without regard to the Company's interests. They are also entitled to demonstrate this in the meeting minutes and to invalidate the decisions to which such shareholders objected in accordance with provisions of the law in this regard.

▶ 12. Facilitating Effective Participation in General Assembly & Voting:

The Company enables shareholders to review the minutes and results of the General Assembly meetings by immediately disclosing them to the Qatar Financial Markets Authority, the Qatar Stock Exchange and the Ministry of Industry and Trade. It also places the minutes on the Company's website.

There is no impediment to any shareholder using his right to vote, especially since the voting process is cumulative and it is done through secret ballot.

▶ 13. Shareholders' Rights Regarding Dividends Distribution:

Article 69 of the Company's Articles of Association stipulates that the remainder of the net profits after deducting the legal reserve and the optional reserve shall be allocated for the distribution of profits to the shareholders or to rotate them in part or in full according to what is proposed by the Board of Directors and approved by the General Assembly. The shareholder is entitled to his share of the profits in accordance with the regulations and controls applied by the Qatar Financial Markets Authority and the financial market in which the shares are listed.

The eligibility to obtain the profits approved by the General Assembly for distribution, whether in cash or free shares, shall be for the shareholder registered in the Shareholders Register at the depository at the end of trading on the day of the General Assembly.

It is also permissible, by virtue of a decision of the Ordinary General Assembly, based on a proposal by the Board of Directors, to distribute interim profits to the shareholders who own the company's shares on the maturity date, with a maximum of 85% of the net profits for that period. The decision determines the maturity date in accordance with the regulations and controls in force at the Qatar Financial Markets Authority. And the Qatar Stock Exchange, if the Board of Directors finds that such distribution is justified.

▶ 14. Shareholders' Rights Regarding to Major Transactions:

In accordance with Article 27 of its Articles of Association, the Company guarantees by virtue of cumulative voting the protection of shareholders' rights in general and minority shareholders in particular. Also, the Company is committed to protecting shareholders' rights in general, as it complies with the laws, especially the Commercial Companies Law and the laws and regulations of Qatar Financial Markets Authority.

The Company's Articles of Association provide protection to shareholders in the event of concluding major transactions or actions that may prejudice the interests of shareholders, such that:

1. Neither the Chairman nor any member of the Board may engage in any business that would compete with the Company's business, or trade for their own account or for the account of others in one of the activities of the Company. Otherwise, the Company may claim compensation or consider the operations undertaken by them as if being carried out for their account.

2. Neither the Chairman of the Board, one of its members nor one of the directors may engage in any work similar to that of the Company's activity, or have a direct or indirect interest in contracts, projects and engagements made to the Company's account.

3. The Company shall not provide any monetary loan of any kind to any member of its Board or guarantee any loan made by one of them with third parties. Any act contrary to the provisions of this Article shall be considered null and void without prejudice to the right of the Company to claim compensation from the violator if necessary.

4. The Chairman and members of the Board or employees of the Company shall be prohibited from exploiting any information acquired by any of them, by virtue of their membership or position, to make a gain for himself, his spouse or children or for any of his relatives up to the fourth degree either directly or indirectly as a result of dealing in the Company's securities. Moreover, none of them shall have a direct or indirect interest with any entity that carries out operations intended to affect the prices of securities issued by the Company. Such prohibition shall remain valid for three years after the expiration of the member's term of office on the Board or the end of his employment in the Company.

5. The Board shall disclose the transactions and dealings concluded by the Company with any related party where the latter has an interest that may conflict with the interests of the Company.

6. Shareholders shall have the right to object to any decision that is deemed to be issued for the interest or harm of a certain Company of shareholders, or that brings a special benefit to the members of the Board or others without regard to the Company's interests. They are also entitled to demonstrate this in the meeting minutes and to invalidate the decisions to which such shareholders objected in accordance with provisions of the law in this regard.

7. Each shareholder may individually file a case if the Company does not file the same, in the event that the fault that has occurred may cause damage thereto as a shareholder, provided that the shareholder shall notify the Company of his intention to file the lawsuit. Any provision in the Company's Articles of Association contrary to this shall be considered null and void.

Further, under Article 45 of its Articles of Association, the Company shall prohibit any kind of discrimination among shareholders for any reason and shall treat small and minority shareholders on an equal footing with major shareholders in all cases, especially when the Company intends to enter into major transactions that may harm their interests or prejudice the ownership of the Company's capital. That is, it is not permitted to enter into major transactions that involve owning, selling, leasing, exchanging or otherwise disposing of (except for the establishment of collaterals) the assets of the Company or assets to be acquired by the Company, or those transactions that would change the essential nature of the Company's business, or those whose gross value exceeds 10% of the lesser value of either the market value of

the Company or the net asset value of the Company's assets according to the latest announced financial statements, except through the following actions:

1. A decision to this effect shall be taken by the General Assembly.
2. Such transactions shall be preceded by the disclosure of the agreement to be entered into.
3. Approvals shall be obtained from the regulatory authorities on major transactions and the instructions of the official bodies to protect the rights of the minority shall be followed.

▶ 15. Stakeholders' Rights (Non-Shareholders):

The Board stated in the Corporate Governance Charter that it adopts an "early warning" policy to encourages the Company's employees to report any suspicious, immoral or illegal behavior that harms the Company's reputation through the mechanism approved for this purpose. Moreover, the Board shall ensure the confidentiality and protection of reports made by employees against any negative reactions by their colleagues or by the employees responsible.

▶ 16. The Company's Corporate Social Responsibility:

As a responsible national establishment, the Company believes in the principle of corporate social responsibility towards the community within which it operates. The Company is also committed to continuously promoting the values of development, protecting, and preserving human life, health, natural resources, and the environment, as well as adding value to the community in which it operates.

During the year 2022, the Company organized activities aimed at community development according to the following:

- Participated as a diamond sponsor in the Project Qatar exhibition, which was held from 6 to 9 June 2022 at the Doha Exhibition and Convention Center. Project Qatar is the international exhibition for the technology of the construction and building materials sectors, which is the best and fastest way to reach the promising Qatari market and its major projects.
- Participated in sponsoring the Lusail Super Cup match between the Egyptian league champion, "Zamalek" and "Al-Hilal", the Saudi league champion, as part of the opening of the largest stadiums in the Qatar World Cup 2022, "Lusail Stadium", which was held on September 9, 2022.
- Participated as a presenting sponsor for the Lusail Museum exhibition "Tales from a Connected World", organized by Qatar Museums, in October 2022.
- Organised a music and entertainment festival for its workers on June 13, 2022.
- The company inaugurated the fifth learning center in the Al-Shahaniya region, as part of a series of education centers that it is opening within the framework of the "Wise Workers" educational program, with the aim of training and educating expatriate workers and providing them with the necessary skills to keep pace with the continuous changes taking place in the labor market in Qatar, on July 19, 2022
- Participated as an official sponsor of the (100 Qatari Inspirational) initiative, which was launched by the Qatari Businesswomen Association, in November 2022.

The Company also paid the amounts owed to the Fund for Supporting Sports, Cultural and Social Activities, which amounted to /7,180,727/ Qatari riyals for the year 2022.

▶ B. Board Committees:

1. Audit & Risk Management Committee:

The Committee shall consist of at least three (3) members appointed by the Board with financial and accounting expertise. Committee meetings shall be held in the State of Qatar and can be held in-person or by using any modern means of technology communication. Meetings shall be held at intervals not exceeding two months. The Committee shall send its report to the Board. As defined in its charter, the Audit and Risk Management Committee shall have several powers, particularly those related to financial reporting, internal control system, internal audit system, compliance control system, oversight over external auditors, direction of attention to key issues, and handling of risk management and compliance matters.

The Committee shall submit its reports to the Board, document its minutes in writing by a Secretary, and take its decisions by simple majority. Meetings of the Committee shall be convened by the Chairman or two members of the Committee, and quorum shall be constituted by the presence of two members.

In 2022, the Audit and Risk Management Committee held nine (9) meetings.

During the period from January 1 to April 10, 2022, the Audit and Risk Committee held (5) meetings. During this period, the committee consisted of the following members:

Member	Title
Mr. Omar Abdul-Aziz Al-Marwani	Chairman of the Audit & Risk Management Committee - Independent Board Member
Sheikh Nasser bin Ali bin Saud Al Thani	Member of the Audit and Risk Management Committee - Independent Board Member
Mr. Walid Ahmed Al-Saadi	Member of the Audit and Risk Management Committee - Advisor to the Board
Mr. Samir Abu Lughod	Member of the Audit and Risk Management Committee

As for the period from April 11 to December 31, 2022, the committee held four (4) meetings. The current members of the committee are:

Member	Title
Mr. Abdulla Darwish Al Darwish	Chairman of the Audit & Risk Management Committee - Independent Board Member
Mr. Ibrahim Abdulla Al Abdulla	Member of the Audit and Risk Management Committee - Independent Board Member
Mr. Eyad Abdulrahim	Member of the Audit and Risk Management Committee – Non- Independent Board Member

2.Nominations and Remuneration Committee:

The Committee shall consist of at least three members and shall hold its meetings in the State of Qatar at least twice a year. The Committee shall report to the Board. As defined in its charter, the Committee shall develop the rules and criteria adopted by the General Assembly for the election of the best candidates for membership of the Board, nominate those whom it deems appropriate for the membership of the Board in the event of vacancy of any of its seats develop the succession plan of the management of the Company to ensure quick appointment of replacements nominate those it deems appropriate to fill any of the Executive Management posts, receive candidature applications to the Board and submit the same to the Board along with recommendations, prepare and submit an annual report to the Board containing a comprehensive analysis of the Board's performance; and determine the role of the annual bonus policy in the Company, as well as the bases for granting allowances and incentives across the Company.

The Committee shall submit its reports to the Board, keep minutes for its meetings, and take its decisions by simple majority. Meetings of the Committee shall be convened by the Chairman or two members of the Committee at least one week prior to its meeting. Quorum shall be constituted by the presence of two of its members.

In 2022, the Nominations and Remuneration Committee held six (6) meetings. During the period from January 1 to April 10, 2022, the Nominations and Remuneration Audit and Risk Committee held two (2) meetings. During this period, the committee consisted of the following members:

Member	Title
Sheikh Nasser bin Ali bin Saud Al Thani	Chairman of the Nominations and Remuneration Committee
Mr. Khalid Ghanim Sultan Al Hodaifi Al Kuwari	Chairman of the Nominations and Remuneration Committee
Mr. Hamad Abdulla Shareef Al Emadi	Chairman of the Nominations and Remuneration Committee
Mr. Hamad Ghanim Sultan Al Hodaifi Al Kuwari	Chairman of the Nominations and Remuneration Committee

As for the period from April 11 to December 31, 2022, the committee held four (4) meetings. The current members of the committee are:

Member	Title
Dr. Bothaina Al Ansari	Chairwoman of the Nominations and Remuneration Committee
Mr. Ibrahim Abdulla Al Abdulla	Member of the Nominations and Remuneration Committee
Mr. Eyad Abdulrahim	Member of the Nominations and Remuneration Committee
Mr. Mohamad Al-Dawamaneh	Member of the Nominations and Remuneration Committee
Mr. Murad Sahawneh	Member of the Nominations and Remuneration Committee

3. Executive Committee:

The Executive Committee consists of at least three members, and its meetings are held in the State of Qatar at least four (4) times a year and its reports are sent to the Board of Directors. The Committee shall have the powers stipulated in the Charter of the Executive Committee, particularly reviewing the long-term strategies, the annual work plan, and the Company's budget in line with the Company's strategy, economic and market changes, and regulatory requirements, approving the reallocation of the budget and matching it with the approved elements according to the quarterly reports of the departments, reviewing the promotion of business and product developments, and distributing resources.

The Committee keeps records of its meetings, takes its decisions by simple majority, and its chairman or two of its members invite to its meetings at least a week in advance. Its quorum shall

be the presence of two of its members, including the chairman.

The Board of Directors formed the Executive Committee in its meeting held on 11/4/2022. The Executive Committee of the company held (6) meetings during the year 2022.

The current members of the committee are:

Member	Title
Mr. Ramez Al Khayyat	Chairman of the Executive Committee
Mr. Eyad Abdulrahim	Member of the Executive Committee
Mr. Mohamad Al-Dawamaneh	Member of the Executive Committee

▶ **C. Senior Executive Management in the Company and their responsibilities, powers, and work during the year, as well as their remunerations:**

The Organizational Structure consists of:

- 1. Mr. Eyad Abdulrahim: Managing Director.
- 2. Mr Henrik Halager Christiansen: Group Chief Executive Officer
- 3. Mr. Gerard Hutchinson: Chief Financial Officer
- 4. Mrs. Sanaa Daakour: Group Legal Affairs Director
- 5. Mr. Riad Al Sowaity: Group HR Director.
- 6. Mr. Salem Aladbi: Government & Public Relations Director
- 7. Mr. Mohammad Fahed: Investor Relations Manager.

The directors of the Executive Management have performed all the tasks assigned to them to the fullest, and each of them has fulfilled the responsibilities assigned there to throughout the year.

▶ **D. Remunerations**

Article 36 of the Company's Articles of Association states that the General Assembly shall be entitled to determine the bonuses of the members of the Board, provided that the percentage of such bonuses shall not exceed 5% of the Company's net profit after deduction of statutory reserves and deductions and distribution of dividends to shareholders by not less than 5% of the paid-up capital.

The bonuses of the Senior Executive Management shall be based on the same criteria adopted for the Company's employees, provided that the evaluation is conducted by the Nominations and Remuneration Committee based on the approved Executive Management Performance Appraisal System.

Accordingly, the entitlement to bonus depends mainly on the overall assessment of employee performance, which varies in terms of objectives from time to time in light of the circumstances and challenges faced by the Company and based on the recommendation of the Nominations and

Remuneration Committee and approval by the Board.

The Company did not distribute any bonuses to the members of the Board of Directors for the year 2021, at the Ordinary General Assembly held on 31/3/2022, as a result of not distributing any profits for the year 2021.

The value of the Board members' remuneration for the year 2022, if granted to them, will be determined in the Governance Report for the year 2023.

▶ **Fourth: Disclosure of the procedures of risk management and internal control of the Company, including the supervision of financial affairs, investments, and any relevant information:**

The Board of Directors appointed the members of the Audit and Risk Management Committee as indicated previously and appointed an internal auditor for the Company to prepare internal audit reports on each of the Company's companies during 2022. The Internal Auditor prepared the internal audit reports, and the general managers were invited to discuss the reports in the Audit and Risk Management Committee and the necessary recommendations were taken for each company apart. The Company works on studying its investments in all sectors and cooperates with its subsidiaries to reduce risk level by studying the contracts of supply, import, contracting and other contracts in the Company in terms of legal, financial, administrative, and operational aspects. The Company also started to develop computational systems that link all subsidiaries to the Holding Company for effective and productive communication. In addition, it began to link the subsidiaries together to reduce the cost of work undertaken by them, including the unified systems of financial and legal affairs, personnel, and supply, as well as to standardize the way of dealing with banks to ensure the most successful distribution of the Company's resources and financial and technical capabilities.

▶ **Fifth: Disclosure of Committees' work, including number of meetings and their recommendations:**

As explained above.

▶ **Sixth: Disclosure of the procedures followed by the Company in identifying, assessing, and managing risks; comparative analysis of the Company's risk factors; and discussion of the systems in place to address drastic or unexpected market changes:**

The risk management policy aims to identify potential weaknesses and risks, and procedures to avoid them, as well as actions to address and reduce their effects upon occurrence thereof. The risk management policy also studies the status of subsidiaries and identifies the high, medium and low risk points in order to contain them and not allow their adverse effects to exacerbate. This includes the study of external auditors' reservations, profitability ratios, liquidity rates, financial management policy, procurement management policy, and other operational, technological, and environmental risks, as well as crises management procedures.

The Company shall assess the operational risks at the Company level. The internal auditor shall also study the risks in cooperation with the Executive Management and the managers of subsidiaries in order to identify the weaknesses and their seriousness and make the necessary recommendations. These risks shall be addressed and followed up by the Executive Management, committees, and the Board, each according to their functions and in coordination with the executive management in each subsidiary apart.

The Board has overall responsibility for the development and supervision of the Company's risk management framework, which includes the Company's main financial liabilities, such as loans, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and provide guarantees to support its operations.

In this regard, the Company is exposed to the following risks as a result of its utilization of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk

► 1. Credit Risk:

Credit risk is the risk of a financial loss to the Company as a result of a customer's or counterparty's failure to meet its contractual obligations. These risks arise mainly from the Company's trade and other receivables.

► 2. Liquidity Risk:

Liquidity risk is the risk that arises from the Company's inability to meet its obligations as they become mature. The Company's approach to liquidity management is to ensure, to the extent possible, that sufficient liquidity is always available to meet liabilities when due under both normal and difficult circumstances without incurring unacceptable losses or damage to the Company's reputation.

The Company uses an activity-based cost method to determine the cost of its products and services, which helps to monitor cash flow requirements and optimally invest cash proceeds. Moreover, the Company typically ensures that it has sufficient cash available on demand to meet expected operating expenses, including servicing the financial liabilities but excluding the potential impact of extremely difficult conditions that are not reasonably foreseeable, such as natural disasters.

► 3. Market Risk:

Market risk is the risk arising from changes in market prices, such as foreign exchange rates and interest rates and shares' prices that affect the Company's income or the value of its financial instruments.

•Currency Risk:

The Company's exposure to currency risk arises from sales, purchases and loans in currencies

other than the functional currencies used by the concerned companies of the Company. Most of the Company's transactions are affected in currencies used by the Company's companies or in currencies with a fixed exchange rate with the currency used.

•Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market interest rate risk arises mainly from interest bearing loans and facilities. The Company adopts a policy ensuring that the interest rate risk is reviewed on a regular basis.

► 4. Operational Risk:

Operational risk is the risk of direct or indirect loss arising from a wide range of causes associated with the Company's operations, employees, technology and infrastructure, or from external events other than credit, market or liquidity, such as those arising from legal and regulatory requirements and generally accepted standards of corporate conduct. Operational risks arise from all operations of the Company.

The objective of the Company is to manage operational risks in order to avoid financial losses and damage to the reputation of the Company, and ensure overall cost effectiveness as well as avoid control restriction measures that limit the spirit of initiative and creativity.

The main responsibility for developing and implementing controls to address operational risks is assigned to the senior management in each business unit. This responsibility is supported by the development of Company-wide operational risk management standards in the following areas:

- Requirements for proper segregation of duties including independent authorization of transactions;
- Requirements for transaction settlement and monitoring;
- Adherence to regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for periodic assessment of operational risks faced by the Company and adequacy of controls and procedures to address identified risks;
- Requirements for reporting operational losses and proposed procedures to address them;
- Development of an emergency plan;
- Training and professional development;
- Ethical and business standards, and
- Risk mitigation, including insurance when this is effective.

Compliance with the Company's standards is supported by a periodic review program carried out by the Internal Audit Department. The findings reached by the Internal Audit Department are discussed with the business unit management concerned, and reports are submitted to the Audit Committee, the Executive Committee, the Board and Senior Management of the Company.

► **Seventh: Disclosure of the Board's performance assessment, Board members' commitment to achieving the Company's interest, performing Committees' work, and attending the meetings of the Board and its Committees; and disclosure of the Senior Executive Management's performance assessment regarding the implementation of the internal control system and risk management including identification of the number of appeals, complaints, proposals, notifications and the way followed by the Board to address regulatory issues**

The Nominations and Remuneration Committee shall be responsible for assessing the performance of the Board and the extent to which Board members are committed to achieving the Company's interests and fulfilling their obligations stipulated in the Corporate Governance Code, the Commercial Companies Law, the Company's Memorandum of Association, and the relevant laws and regulations. The Board held fourteen (14) meetings during 2022. Members of the Board attended most meetings, which were held at intervals not exceeding two months.

The Board approved the financial statements for the fiscal year ended 2021, as well as the financial statements for the first quarter, the first half and the third quarter of the financial year 2022. The auditors' reports were reviewed and discussed. In addition, the Board discussed the governance systems extensively. Those decisions were issued after a thorough discussion and consensus, and no reservation was made on any of the Board's decisions.

During 2022, the Company disclosed the recommendations of the Board and the work of the Committees in accordance with the approved regulations. The Audit and Risk Management Committee studied the risks in the subsidiaries through the internal auditor and discussed them with the Executive Management of the Company and with the general managers of the subsidiaries. Steps were taken to reduce risk levels and followed up at successive meetings of the Audit and Risk Management Committee, as well as in the regular meetings of the Executive Management in the Company with the general managers of subsidiaries where the minutes of the meetings were recorded. These steps were followed up closely and periodically.

No complaints, grievances or communications were submitted to the Board during the year 2022.

► **Eight: Disclosure of failures in the internal control system, wholly or partly, or weaknesses in the implementation thereof; and disclosure of contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing internal control failures (particularly the problems disclosed in the Company's annual reports and financial statements):**

Internal control aims to verify the extent of the Company's compliance with the financial and legal procedures and systems. The internal units of the Company carry out internal control operations according to their financial or legal powers. The Company assigned an independent consultant to assess the risks associated with the Company's activities, accounting operations, main business

risks, internal audit plan of the Company and its subsidiaries, and comprehensive financial audit; and review the performance of the Company and its subsidiaries in a precise manner. Recommendations shall then be presented to the Board to reduce risks and improve the performance of the Company and its subsidiaries.

► **Ninth: Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements:**

The Company complied with all the applicable market listing and disclosure rules and requirements. All periodic and immediate reports were disclosed and material information was immediately disclosed. The Company established an Investor Relations Division so as to keep the Company updated with and the laws and regulations adopted in this regard.

► **Tenth: Disclosure of any conflict or dispute to which the Company is party, including arbitration and lawsuits**

The following are the disputes and conflicts in which Estithmar Holding is either a plaintiff or defendant:

1- Estithmar Holding Company Q.P.S.C.
Plaintiff: Against Six Construct/Midmac JV
Defendant: Ahli Bank.

(A) In February 2011, a subsidiary of the Company, Debbas Contracting Qatar WLL, entered into a sub-contract for executing the electromechanical works of Doha Convention Center Project within 22 months (by the joint venture of Debbas Contracting and ETA Star Engineering & Contracting WLL (under liquidation)), with the "Main Contractor" (Six Construct/Midmac JV).

The absence of a solution to resolve the dispute in an amicable manner resulted in the Subcontractor filing lawsuit No. 568/2016 in January 2018 against both Qatari Diar (the "Employer") and the Main Contractor, demanding the payment of QR625,861,657 for the remaining contractual fees from the base price of the project and the additional site orders according to the Main Contractor's instructions, as well as extension of time costs, and compensation for loss of opportunity.

(B) In 2011, the Subcontractor received credit facilities from a local bank to finance the project, bringing the total outstanding amount plus interest. The Company and related parties provided commercial and personal guarantees to Ahli Bank for the credit facilities of the project.

In October 2018, QNB Al Ahli filed the lawsuit No. 2926/2018 against the Subcontractor, the Company and others, requesting the payment of the total outstanding amount of the loan.

In January 2019, the competent section in the court decided to refer the lawsuit No. 568/2018 to the competent court examining the lawsuit No. 2926/2018, so that the two cases would be considered concurrently in parallel. The court appointed a committee of experts to review the lawsuit details. On 9/29/2022, the first instance judgment was issued, ruling for the plaintiffs (Debbas Contracting

and ETA Star Engineering & Contracting WLL, and Estithmar Holding) with an amount of /61,096,281.39/ Qatari riyals, and dismissing the case filed against the plaintiffs from the Midmac and Six Construct Consortium.

The first judgment was also issued in the lawsuit filed by Al-Ahli Bank, which obligated all defendants jointly and severally, including the company, to pay an amount of /154,045,151.5/ Qatari riyal.

The company has appealed the two judgments mentioned in Appeal No. 1901/2022, which is still under discussion in court.

2- Estithmar Holding Q.P.S.C.

The Company signed a contract with the Commercial Bank on January 4, 2017, according to which the Bank committed to provide services for receiving applications for offering the Group's shares for listing in the Qatar Financial Markets Authority. The Company carried out all the obligations incurred and paid the sums demanded by the Bank in a timely manner.

On August 14, 2017, Qatar Stock Exchange issued a letter to the plaintiff bank, requesting for payment an invoice of /825,000/ Qatari riyals, so the bank, claimed for the amount for marketing work completed for the benefit of the Company, despite the absence of any agreement between the Company and the bank on this matter. Then he filed the aforementioned claim.

In deliberating the case, on 12/17/2019, a decision was issued rejecting the case and obliging the plaintiff bank to pay the expenses.

Commercial Bank has appealed the aforementioned decision before the Court of Appeal No. 26/2020 and the judgment was issued in favor of Commercial Bank and ruled to cancel the appealed judgment and oblige the Company to pay an amount of /900,000/ Qatari riyals to the bank, and the Company has already paid the adjudged amount.

3- Estithmar Holding Q.P.S.C.

Defendant with several companies, Al-Hodaifi Company and Falcon Ready Mix Concrete Company. From the plaintiff Dukhan Bank (Formerly International Bank of Qatar) before the Civil Court of First Instance (Third Circuit) with the number 3110/2020.

The Company signed with QIIB in December 2012 a banking facility agreement and it was agreed upon in accordance with the aforementioned agreement between the bank and the Company and a list of subsidiary companies that were specified in a separate annex to grant the Company and some subsidiary companies, including Falcon Ready Mix Concrete Company, banking facilities. Falcon Company used an amount of / 12,550,993.51/ Qatari riyals and stopped paying, so it was entitled to the aforementioned amount as of 5/28/2019.

The lawsuit is still under discussion in court.

4- Estithmar Holding Q.P.S.C.

The case No. 373/2022 filed by Emad Krayem against Elegancia Gabro, Estithmar Holding, and other defendant. The lawsuit is still under discussion in court.

Emad Krayem is claiming the following: -

A- An amount of QAR 1,979,232 representing his profit for the last two quarters of 2021 on the allegation that he is a partner in Elegancia Gabro with 15%.

B- The sale value of the 15% for the sale transaction for Elegancia Gabro to Istithamr Holding which he is evaluating by QAR 15,000,000

C- A compensation of QAR 2,659,264

► Eleventh: Disclosure of operations and transactions entered into by the Company with any "Related Party":

Without prejudice to the provisions of the law in this regard, the Board shall comply with the principles of governance and with the disclosure of the transactions and dealings entered into by the Company with any "Related Party". The auditor shall review all transactions and dealings entered into by the Company with any Related Party and they shall be disclosed in the periodic financial statements.

The Board shall constantly and regularly review and update governance applications, apply the best principles of governance and uphold fair-trading principle among shareholders. The Board shall also update professional conduct rules embodying the Company's values, and constantly and regularly review its policies, charters, and internal procedures which shall be binding upon the Company's Board members, Senior Executive Management, advisors, and employees. The most important of which are the charters of the Board and its committees, the policy of the Company's dealings with Related Parties, and the Insiders' trading rules.

The Company discloses its dealings and transactions with any related party according to the following:

- The signing of a Service Management Contract between the Company and Power International Holding on 4/14/2022, after signing a confidentiality and non-disclosure agreement, according to which Power International was assigned, for a period of three years from the date of signing the contract and for an automatically renewable period, to provide a list of services related to legal services, internal auditing, human resources, marketing, accounting and financial, insurance, strategy, and information technology.

It should be noted that the Contract was prepared by a third party who proposed a calculation method of the fees that preserves the Company rights and confirms that it was carried out on arms length basis. The said equation has been approved and included in the Service Management Contract.

In addition to the foregoing, the two parties have agreed to pay the fees for the aforementioned services to the Company after the issuance of an audit report from a third party, according to which these fees are determined for the services provided.

- The Company and some of its subsidiaries signed lease contracts according to which the Company's headquarters and some of its subsidiaries were rented in the Eighteen Tower located in the Lusail area, owned by Mrs. Somaya Hamsho, Owner of shares in the Company exceeding 5%. The aforementioned lease contracts were signed in exchange for fair rental rates consistent with what is circulating in the Qatari market in order to unify the headquarters of all subsidiaries, as Elegancia companies have been based in the aforementioned tower since before the completion of the reverse acquisition transaction.

- The signing of a Novation Agreement on 6/14/2022 between the following parties: Sports City Enterprises, Assets Hospitality Services, and one of the Company's subsidiaries, The Palace Hotel, according to which the development and lease contract signed on 6/30/2021 between Sports City Enterprises and Assets Hospitality Services with the aim of developing a piece of land in Aspire area and developing it as a five-star hotel was novated to the Palace hotel.

According to the aforementioned Novation Agreement, The Palace Hotel replaced Assets Hospitality Services in the development and lease contract in all obligations and rights, without any consideration, except for the implementation of the project and bearing the obligations arising from the development contract from the date of its signing with Assets Hospitality Services.

-The signing of a management and operation agreement between The Palace Company W.L.L., one of the Company's subsidiaries, and Assets Hotels and Resorts Management W.L.L to manage and operate Maysan Hotel - Doha, as Assets is a company specialized in hotels management. The aforementioned agreement was signed, and Assets' fees were determined at a percentage of the hotel's revenues after seeking the assistance of a third party, who confirmed that it preserves the company's rights and confirms that it was carried out on arms length basis.

- The signing of a management and operation agreement between Tilal W.L.L., one of the Company's subsidiaries, and Assets Hotels and Resorts Management W.L.L to manage and operate Katara Hills Hotel, as Assets is a company specialized in hotels management. The aforementioned agreement was signed, and Assets' fees were determined at a percentage of the hotel's revenues after seeking the assistance of a third party, who confirmed that it preserves the company's rights and confirms that it was carried out on arms length basis.

- The signing of a management and operation agreement between Estithmar Ventures Real Estate Development W.L.L., one of the Company's subsidiaries, and Assets Real Estate Management W.L.L to manage and operate the existing tourism project on Al Maha Island, as Assets is a company specialized in real estate management. The aforementioned agreement was signed, and Assets' fees were determined at a percentage of the island's revenues after seeking the assistance of a third party, who confirmed that it preserves the company's rights and confirms that it was carried out on arms length basis.

▶ Twelfth: MANAGEMENT' REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING:

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) Of 2016, the Board of Directors of Estithmar Holding Q.P.S.C., its consolidated subsidiaries are responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR").

The management of Estithmar Holding Q.P.S.C., and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed under the supervision of our Company Chief Executive Officer and Company Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

To determine whether a material weakness in internal controls over financial reporting exists as of 31 December 2022, we have conducted an evaluation of the suitability of design, implementation and operating effectiveness of internal controls over financial reporting, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

We have covered all the material business and operating companies in our assessment of internal control over financial reporting of significant process as of December 31, 2022

▶ Risks in Financial Reporting:

The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have adverse consequences. A lack of fair presentation arises when one or more amounts in financial statement or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

To confine those risks of financial reporting, the Company has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements and assessed the suitability of design of the Company's internal controls over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system. As a result, in establishing ICOFR, the management has adopted the following financial statements objectives:

The COSO Framework includes 17 basic principles, and 5 components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

Controls covering each of the 17 principles and 5 components have been identified and documented.

As a result, in establishing ICOFR, the management has adopted the following financial statement objectives:

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

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

► Organization of the Internal Control System: Functions Involved in the System of Internal Control over Financial Reporting:

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

The processes that were determined as significant are entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting, and periodic closing of the financial records.

In determining the above processes, the management exercised professional judgement and considered the amount of balances and transactions, that if materially misstated would influence economic decisions that users make on the basis of the financial statements.

► Controls to Minimize the Risk of Financial Reporting Misstatement:

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

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

► Measuring Design and Operating Effectiveness of Internal Control:

The Company has undertaken a formal evaluation of the adequacy of the design of the system of ICOFR. This evaluation incorporates an assessment of the design of the control environment as well as individual controls, which make up the system of ICOFR taking into account:

- The risk of misstatement of the financial statement line items, considering such factors as

materiality and the susceptibility of the particular financial statement item to misstatement.

- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the design of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence either may

bring additional control issues to the attention of management or may corroborate findings.

► Conclusion:

As a result of the assessment of the design, implementation, and operating effectiveness of Internal Controls over Financial Reporting (ICOFR), management did not identify any significant deficiency/ material weaknesses in the Company's design and implementation and operating effectiveness of Internal Controls over Financial Reporting for significant processes and concluded that ICOFR is appropriately designed, implemented, and operating effectively as of December 31, 2022.

This report on Internal Control over Financial Reporting was approved by the Board of Directors on March 20, 2023, and was signed on its behalf by the Chairman.

► External Auditors:

Russell Bedford and Partners external auditors of the Company, has issued a reasonable assurance report on the management's assessment of suitability of design, implementation and operating effectiveness of internal controls over financial reporting as of 31 December 2022 in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). The external auditors also issued an independent assurance report to the shareholders regarding the company's compliance with the Qatar Financial Markets Authority Law and related legislations including the corporate governance system for companies and legal entities listed in the main market.

The independent auditor read out the two aforementioned reports after declaring the quorum and the president of the meeting reciting his speech.

► Thirteenth: Managements' Report on Compliance with QFMA Law and Relevant Legislations Including the Code:

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, the Board of Directors of Estithmar Holding Q.P.S.C. has prepared the attached Corporate Governance Report 2022.

This report is the outcome of Estithmar Holding Q.P.S.C. continuous commitment towards the implementation of sound governance that embraces best practice guidelines and engrains concrete values into its internal governance policies. Such achievements, we believe, not only fulfil Estithmar Holding Q.P.S.C., compliance with the Governance Code for Companies & Legal Entities Listed

on the Main Market (the “Code”) issued by the Qatar Financial Markets Authority (“QFMA”) Board pursuant to Decision No. (5) of 2016, but also reflects Estithmar Holding Q.P.S.C., responsibilities towards its Shareholders and Stakeholders.

► Responsibilities of the Board

The Board of Directors are committed to implement governance principles set out in the Code, which are: justice and equality among Shareholders and Stakeholders without discrimination regardless of their race, gender, and religion. Transparent information and required disclosures are provided to QFMA, Shareholders and Stakeholders within the required timeframe and in accordance with the relevant laws and regulations. The principles also include upholding the values of corporate social responsibility and prevailing the public interest of the Company, Shareholders and Stakeholders over any personal interest. The Company is guided by the principles, as it endeavors to exercise its duties conscientiously and with integrity. In parallel, the Company also strives to project these values in its dealings with Shareholders, Stakeholders and eventually society.

► Management’s assessment on compliance with QFMA’s relevant regulations including the Corporate Governance Code as of December 31, 2022.

In accordance with Article 2 of the Code, we have carried out an assessment on its compliance with QFMA’s relevant regulations applicable to the Company including the Code.

► Conclusion

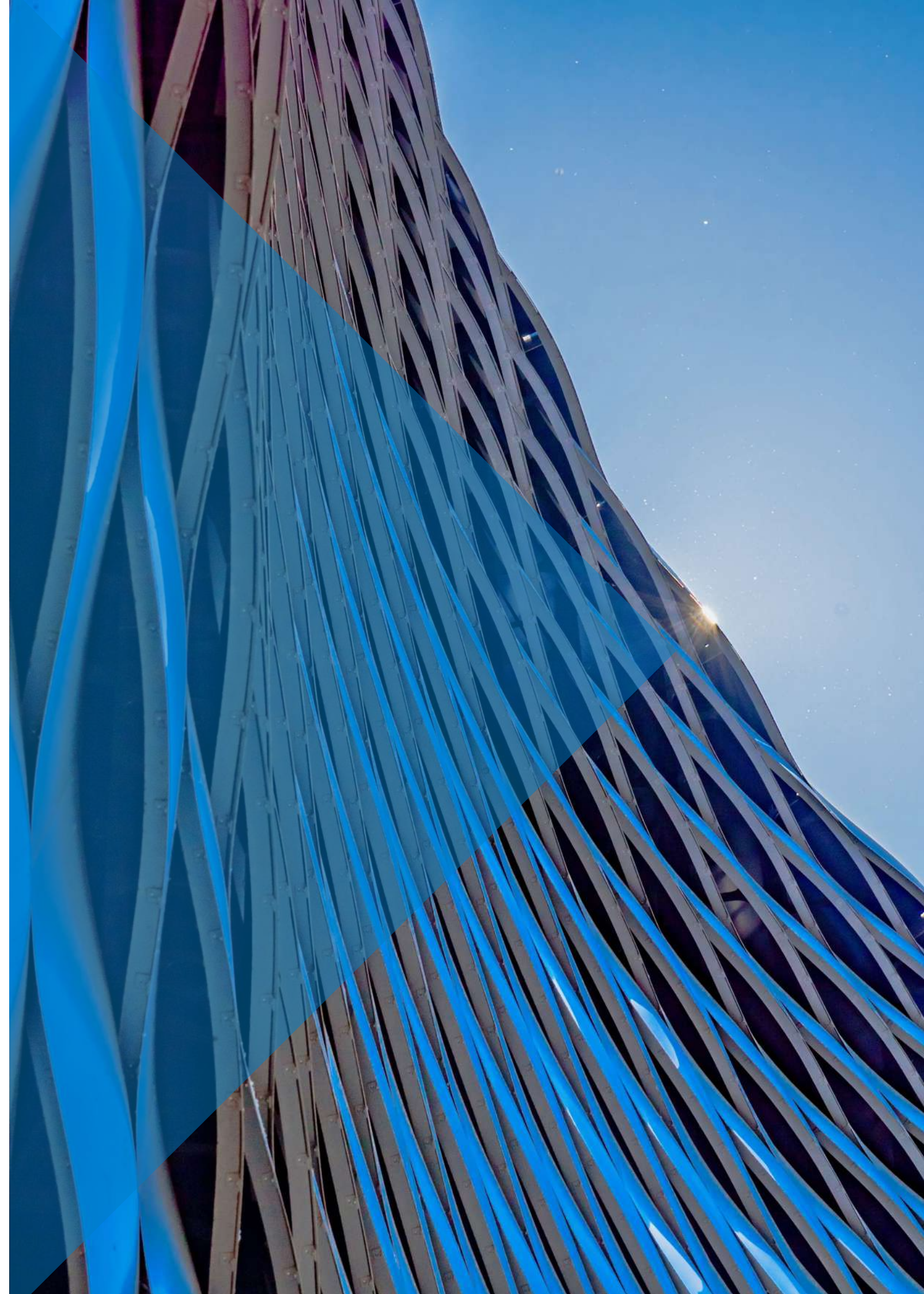
As a result of the assessment, the management concluded that, there is a process in place to ensure compliance with the QFMA’s laws and relevant regulations including the Code as of December 31, 2022.

► External auditors

Russell Bedford and Partners, the external audit firm of the Company, has issued a limited assurance report on the management assessment on compliance with the QFMA’s relevant regulations including the Code as of December 31, 2022.

- End -

Mr. Mohammad Moutaz Al-Khayyat
Chairman





Reasonable Assurance Report

INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT

To the Shareholders of
Estithmar Holding Q.P.S.C. (Formerly Investment Holding Group Q.P.S.C.)
Doha – State of Qatar

► **Report on the Directors' assessment of the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2022 of Estithmar Holding Q.P.S.C. (Formerly Investment Holding Group Q.P.S.C.), hereinafter referred to as the "Company" and its subsidiaries together referred as the "Group" in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016.**

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Management's Internal Control Statement on assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (Management Internal Control Statement) as of December 31, 2022, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

► **Responsibilities of the directors and those charged with governance**

The Board of Directors are responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate policies, and making accounting estimates and judgements that are reasonable in the circumstances.

The Group's assessment of its internal control system is presented by the Management to the Board of Directors in the form of the Management's Internal Control Statement contained in disclosure twelve of the Corporate Governance Report, which includes:

- The management's assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- The description of the process and internal controls over financial reporting for the Significant Process of (entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records);
- The control objectives; including identifying the risks that threaten the achievement of the control objectives;
- Designing and implementing controls to achieve the stated control objectives; and
- Identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as at December 31, 2022, based on the criteria established in the Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organisations of the Treadway

Commission ("COSO framework"). These responsibilities include the design adequate internal financial controls that would ensure the orderly and efficient conduct of its business, including:

- Adherence to the Group's policies;

► **Responsibilities of the directors and those charged with governance (Continued)**

- The safeguarding of its assets;
- The prevention and detection of frauds and errors;
- The accuracy and completeness of the accounting records;
- The timely preparation of reliable financial information; and
- Compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

► **Responsibilities of the Assurance Practitioner**

Express a reasonable assurance opinion on the fairness of the presentation of Management's Internal Control Statement, based on the criteria established in COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's internal controls over financial reporting of "Significant Processes" presented in disclosure twelve of the Corporate Governance Report to achieve the related control objectives stated in that description based on our assurance procedures.

► **Reporting on internal controls over financial reporting**

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Management's Internal Control assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting of significant processes in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework. A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements.

For the purpose of this engagement, the processes that were determined as significant are: (entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records). An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design, implementation and operating effectiveness of the controls in an organization involves performing procedures to obtain evidence about the suitability of design and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included:

- Obtaining an understanding of internal controls over financial reporting for significant processes;
- Assessing the risk that a material weakness exists; and
- Testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Corporate Governance Report.

► **Reporting on internal controls over financial reporting (Continued)**

Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in disclosure twelve of the Corporate Governance Report were achieved. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Management's Internal Control Statement over their assessment of the suitability of design and operating effectiveness of the Group's internal controls over financial reporting.

► **Our independence and quality control**

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

► **Meaning of internal controls over financial reporting**

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized

acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements

► Inherent limitations

Because of the inherent limitations of internal financial controls over financial reporting and compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated as of December 31, 2022 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting and compliance with applicable laws and regulations prior to the date those controls were placed in operation.

► Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report but, does not include Management's Internal Control Statement. Our conclusion on the Management's Internal Control Statement does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

► Opinion

In our opinion, the Management's Internal Control Statement set out in disclosure twelve of the Corporate Governance Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's Internal Controls over Financial Reporting as at December 31, 2022.

For Russell Bedford & Partners
Certified Public Accountants

Hani Mukhaimer
License No. (275)
QFMA License No. (1202013)

Doha – Qatar
March 20, 2023



Limited Assurance Report

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

To the Shareholders
Estithmar Holding Q.P.S.C. (Formerly Investment Holding Group Q.P.S.C.)
Doha – Qatar

► Report on compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislations including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market.

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over Board of Directors' assessment of compliance of Estithmar Holding Q.P.S.C. (Formerly Investment Holding Group Q.P.S.C.) referred as the "Company" with the QFMA's law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") as of December 31, 2022 as noted in the Board of Director's Corporate Governance Report (Corporate Governance Report), excluding provisions listed under Other information section of this report.

► Responsibilities of the directors and those charged with governance

The Board of Directors of the Company are responsible for preparing the accompanying Corporate Governance Report that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the, 'Report on compliance with the QFMA's law and relevant legislations, including the Code', as set out in disclosure one to eleven and thirteen of the Corporate Governance Report excluding disclosure on Corporate Social Responsibility mentioned within thirteen disclosure of the Corporate Governance Report.

► Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Board of Directors' Governance Report on compliance with the QFMA's law and relevant legislations, including the Code" presented disclosures one to eleven and thirteen of the Corporate Governance Report excluding disclosure on Corporate Social Responsibility mentioned within eleventh disclosure of the Corporate Governance Report do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

► Reporting on compliance with QFMA's law and relevant legislations, including the Code

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole, is not prepared in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

▶ **Reporting on compliance with QFMA's law and relevant legislations, including the Code (Continued)**

Accordingly, we do not express a reasonable assurance opinion about whether the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole has been prepared, in all material respects, in accordance with the 's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies of the Company, and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we.

- Made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these Requirements. This included analyzing the key processes and controls for reporting compliance with the Requirements;
- Considered the disclosures by comparing the contents of the Corporate Governance Report against the requirements of Article 4 of the Code;
- Agreed the relevant contents of the Corporate Governance Report to the underlying records maintained by the legal and compliance department of the Company;
- Performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the Requirements, and observed evidences gathered by the Company's management and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

▶ **Our independence and quality control:**

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control (ISQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

▶ **Inherent limitations**

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases

would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Governance Report and the methods used for determining such information.

▶ **Other information**

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code' presented in disclosures one to eleven and thirteen of the Corporate Governance Report (the "Directors' Statement") which we obtained prior to the date of this assurance report.

Our conclusion on the Board of Director's Corporate Governance Report on compliance with applicable QFMA laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the applicable sections of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

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

When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

▶ **Emphasis of Matter**

We draw attention to the fact that this assurance report relates to Parent Company Estithmar Holding Q.P.S.C. (Formerly Investment Holding Group Q.P.S.C.) on stand-alone basis only and not the Group as a whole. Our conclusion is not modified in this respect.

▶ **Conclusion**

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' report on compliance with QFMA's law and relevant legislations, including the Code, as presented in the Board of Director's Corporate Governance Report, do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at December 31, 2022.

**For Russell Bedford & Partners
Certified Public Accountants**

**Hani Mukhaimer
License No. (275)
QFMA License No. (1202013)**

**Doha – Qatar
March 20, 2023**

Financial Statement

INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS
ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY INVESTMENT HOLDING GROUP Q.P.S.C.)

Opinion

We have audited the consolidated financial statements of Estithmar Holding Q.P.S.C. (Formerly Investment Holding Group Q.P.S.C.) (the “Company” or “legal parent”) and its subsidiaries (together referred to as the “Group”), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year ended December 31, 2022, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and it’s consolidated financial performance and it’s consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group’s consolidated financial statements as implemented in the State of Qatar, and we have fulfilled our other ethical responsibilities. 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 matters those, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. We identified the following key audit matters which 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 matters is provided in that context.

We designed our audit by determining the materiality and assessing the risks of material misstatements in the consolidated financial statements. In particular, we looked at where the management made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as “areas of focus” below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the consolidated financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Impairment assessment of goodwill

Refer note 02.1 and 36 to the consolidated financial statements:

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>As of December 31, 2022, the goodwill amounted to QAR 3,240 Mn. And which is approximately 37% of the total assets as of the same date.</p> <p>Annual impairment assessment of goodwill was a significant risk due to the following:</p> <ul style="list-style-type: none">• Management hired an independent consultant to perform the impairment test.• Also taking into consideration the resolution by H.E. the Minister of Economy and Commerce, determining the Company’s share capital by the full value according to the valuation including the goodwill resulted from the valuation and the approval of the authorities of the Ministry of Economy and Commerce, Qatar Financial Markets Authority and Qatar Stock Exchange.• The internally generated goodwill was recognized after the verification from the issuance of the updated Commercial Registration for the Company with new share capital amounting to QAR 3,404 Mn. based on the valuation for the Company and its subsidiaries and the related assumptions.• Judgement is required in identifying indicators of impairment and required the management to make various assumptions in the formal estimate.	<p>Our audit procedures focused on assessing the reasonableness of key assumptions used by management in conducting the impairment assessment.</p> <p>These procedures included:</p> <ul style="list-style-type: none">• Obtaining an understanding of management’s impairment assessment process.• Evaluating the reasonableness of the Group’s key assumptions and justifications for the initial allocation of goodwill to the respective cash-generating units (“CGU”).• Evaluating the reasonableness of the Group’s key assumptions and justifications for its formal estimate of recoverable amount.• Considering the adequacy of the Group disclosures in note 02.1 and 36 to the consolidated financial statements in respect of impairment testing.

Recognition and measurement of group revenue

Refer to Note 23 and Note 37 of the consolidated financial statements.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The major components of Group's revenue comprise of revenue from construction contracting and industries amounting to QAR 2,386 Mn. for the year ended December 31, 2022.</p> <p>Revenue was a key audit matter due to the following:</p> <ul style="list-style-type: none"> Construction contracting and industries revenue is recognized overtime by reference to the Group's progress toward completing the contracts. Management judgement is required to estimate the total contracting costs, variations or claims recognized as contract revenue, and provision for liquidated damages that will affect the measure of progress and revenue and profit margins recognized from specialized contracting contracts. Revenue recognition is inherently subjective and requires significant management judgement and errors in the recognition of revenue could have a material impact on the Group's profit for the year. 	<p>We identified specialized contracting and industries segment with significant revenue streams and performed procedures including the following to address specific risks identified in relation to revenue.</p> <p>These procedures included:</p> <ul style="list-style-type: none"> Obtaining and understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over revenue recognition. Discussing with the Group management and project managers the performance of the major contracts in progress during the year and comparing the contract revenue recognized for a sample of contracts in progress during the year with certifications from quantity surveyors appointed by the customers or payment applications from the in-house surveyor. On a sample basis, inspecting of project contract agreements with customers and subcontractors to identify key terms and conditions, including contracting parties, contract period, contract sum, scope of the work and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and cost to complete under the forecasts of contracts.

Impairment allowance for accounts receivable

Refer note 14 to the consolidated financial statements:

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The Group accounts receivable are stated in the consolidated statement of financial position at their fair value less any provision for impairment. As of December 31, 2022, net of accounts receivable was QAR 794 Mn., after provisions for impairment of QAR 143 Mn.</p> <p>The impairment allowance for accounts receivable of the Group was a significant risk due to the following:</p> <ul style="list-style-type: none"> There are inherent risks relating to customer's credit risk profile which varies due to the size of each customer and the industries that the customers operate in. The risk is whether the accounts receivable is recoverable and determining an appropriate provision for potentially impaired accounts receivable requires significant management judgement. Impairment allowances represent management's best estimate of the losses expected within receivables as at the reporting date. Management has assessed the receivable balances individually based on the age of debts to identify any objective evidence of impairment. Given the level of subjectivity nature of significant management judgements involved and transition adjustments are likely to be subject to scrutiny from investors/regulators resulted in impairment of accounts receivable. 	<p>Our audit procedures focused on assessing the reasonableness of key assumptions used by management in conducting the impairment allowance for accounts receivable.</p> <p>These procedures included:</p> <ul style="list-style-type: none"> Understanding and evaluating the design, implementation and operating effectiveness of management's key internal controls in respect of the valuation of trade debtors, which included credit control procedures and the application of the Group's doubtful debt provisioning policy. On sample basis circularized trade receivables confirmations to verify existence and tested the reconciliation where discrepancies were identified and testing the subsequent collections for outstanding trade receivables, where applicable. Assessing, on a sample basis, whether items in the trade debtors' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation, which included sales invoices and goods delivery notes. Assessing the adequacy of consolidated financial statements disclosure as per the required accounting standards.

Other information

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report for the financial year 2022 but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report

that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the consolidated financial statements

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and applicable provisions of Qatar Commercial Companies' Law and for such internal control as the management determines is necessary to enable the preparation of the 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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 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 the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the companies or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosures 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 other legal and regulatory requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Group has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
- We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Group.
- Furthermore, the physical count of the Group's inventories was carried out in accordance with established principles.
- We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Group's consolidated financial position or performance as at and for the year ended December 31, 2022.

For Russell Bedford and Partners
Certified Public Accountants

Hani Mukhaimer
License No. (275)
QFMA License No. (1202013)

Doha, State of Qatar
March 20, 2023

**ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY INVESTMENT HOLDING GROUP Q.P.S.C.)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022**

		December 31,	
	Notes	2022	2021
		QAR	QAR
ASSETS:			
Non-current assets:			
Property, plant and equipment	6	1,975,421,311	802,753,835
Investment property	7	90,777,427	87,919,541
Intangible assets	8	6,034,690	5,572,916
Goodwill	36 b	3,240,035,090	-
Right-of-use assets	9	98,926,054	27,951,550
Retention receivables	10	43,833,031	18,060,678
Financial assets at fair value through profit or loss	11	31,000,000	-
Total non-current assets		5,486,027,603	942,258,520
Current assets:			
Inventories	12	233,936,325	383,246,139
Retention receivables	10	92,059,563	39,041,615
Contract assets	13 a	951,742,831	385,579,602
Trade and other receivables	14	1,306,488,357	875,491,008
Due from related parties	15	490,804,199	475,810,381
Cash and bank balances	16	167,486,943	41,445,057
Total current assets		3,242,518,218	2,200,613,802
TOTAL ASSETS		8,728,545,821	3,142,872,322
EQUITY AND LIABILITIES:			
Equity:			
Share capital	17	3,404,037,500	10,000,000
Legal reserve	18	56,870,749	54,916,662
Other reserve		3,923,960	3,923,960
Reserve for renewal of furniture, fixtures and equipment	19	484,072	-
Retained earnings		1,003,436,506	694,793,264
Total equity attributable to owners' of the company		4,468,752,787	763,633,886
Non-controlling interests		(9,126,097)	4,004,578
Total equity		4,459,626,690	767,638,464
Non-current liabilities:			
Lease liabilities	9 c	69,374,812	18,433,636
Employees' end of service benefits	20	99,594,790	86,946,928
Loans and borrowings	21	915,781,502	336,166,817
Loan from a related party	15 d	28,783,355	27,829,521
Retention payable		1,327,992	-
Total non-current liabilities		1,114,862,451	469,376,902
Current liabilities:			
Lease liabilities	9 c	24,655,280	2,131,962
Contract liabilities	13 a	125,225,186	117,172,226
Due to related parties	15	110,125,451	93,035,002
Bank overdraft	16	216,009,542	199,473,655
Loans and borrowings	21	671,620,032	391,771,975
Income tax liability		3,470,880	384,816
Trade and other payables	22	2,002,950,309	1,101,887,320
Total current liabilities		3,154,056,680	1,905,856,956
Total liabilities		4,268,919,131	2,375,233,858
TOTAL EQUITY AND LIABILITIES		8,728,545,821	3,142,872,322

These consolidated financial statements were approved by the Board of Directors and signed on their behalf by the following on March 20, 2023:

.....
Ramez Mohamed Ruslan Al Khayat
Group Vice Chairman

.....
Henrik Christiansen
Group CEO

The accounting policies and notes as set out in pages 05 to 47 form an integral part of these consolidated financial statements.

**ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY INVESTMENT HOLDING GROUP Q.P.S.C.)**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Notes	Period from November 03, 2020 (Inception Date) to December 31, 2021	
		Year ended December 31, 2022 QAR	2021 QAR
Revenue	23	4,237,021,731	3,204,635,299
Cost of operations	24	(3,617,069,156)	(2,711,728,436)
Gross profit		619,952,575	492,906,863
Other income		57,001,527	87,830,540
General and administrative expenses	25	(256,313,571)	(209,982,099)
Impairment provision for financial assets	26	(21,896,901)	(1,168,889)
Management fees		(2,338,715)	(8,955,211)
Reserve for renewal of furniture, fixtures and equipment	19	(484,072)	-
Operating profit		395,920,843	360,631,204
Finance costs		(67,501,274)	(34,686,981)
Profit from operations before tax		328,419,569	325,944,223
Income tax expense		(3,371,855)	(384,816)
Profit for the year/ period		325,047,714	325,559,407
Other comprehensive income		-	-
Total comprehensive income for the year/ period		325,047,714	325,559,407
Total comprehensive income attributable to:			
Owners of the Company		338,178,389	321,933,023
Non-controlling interests		(13,130,675)	3,626,384
Total comprehensive income for the year/ period		325,047,714	325,559,407
Basic and diluted earnings per share (Attributable to owners' of the company)	27	0.107	0.125

The accounting policies and notes as set out in pages 05 to 47 form an integral part of these consolidated financial statements.

**ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY INVESTMENT HOLDING GROUP Q.P.S.C.)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

		Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
	Notes		
Cash flows from operating activities:			
Profit before tax		328,419,569	325,944,223
Adjustments for:			
Depreciation of property, plant and equipment	6	97,812,939	41,759,107
Depreciation of investment property	7	-	22,466,667
Amortization of intangible assets	8	1,645,988	1,514,678
Depreciation of right-of-use assets	9	22,422,544	14,005,556
Net effect of derecognition of lease contract		53,704	(5,288,252)
Provision for employees' end of service benefits	20	33,822,621	19,513,539
Loss/ (gain) on disposals of property plant and equipment		2,105,018	(271,161)
Provision for slow moving inventories	12 a)	2,426,080	13,595,822
Provision/ (reversal) for trade and other receivables	26	21,896,901	1,168,889
Reserve for renewal of furniture, fixtures and equipment		484,072	-
Interest expenses on lease liabilities	9	2,710,702	2,512,434
Interest expenses on loan and borrowings		64,790,572	31,054,174
Interest expenses on loan from related parties		-	1,120,373
Operating income before changes in working capital		578,590,710	469,096,049
Changes in:			
Inventories		143,153,030	(396,841,961)
Trade and other receivables		(451,613,850)	(876,659,897)
Retention receivables		(74,367,140)	(57,102,293)
Contract assets		(566,163,229)	(385,579,602)
Due from related parties		(14,993,818)	(482,939,202)
Due to related parties		17,453,336	93,035,002
Retention payables		1,327,992	-
Trade and other payables		893,035,821	1,101,887,320
Contract liabilities		8,052,960	117,172,226
Cash generated from/ (used in) operating activities		534,475,812	(417,932,358)
Employees' end of service benefits paid	20	(40,822,435)	(5,264,148)
Interest paid		(67,501,274)	(34,686,981)
Income tax paid		(384,816)	-
Net cash generated from/ (used in) operating activities		425,767,287	(457,883,487)
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(1,260,866,810)	(177,347,663)
Acquisition of investment property	7	(327,678)	-
Net cash flow on business combination		128,809,495	(205,838,099)
Acquisition of intangible assets	8	(2,107,762)	(6,045,650)
Proceeds from sale of property, plant and equipment		1,509,247	-
Net cash used in investing activities		(1,132,983,508)	(389,231,412)
Cash flows from financing activities			
Proceeds from issuance of shares		-	10,000,000
Transaction cost of share issue		(19,454,867)	-
Net movement in interest bearing loans and borrowings		859,462,742	727,938,792
Net movement in bank balances restricted as collateral		397,263	(1,298,042)
Dividend paid		-	(37,125,596)
Principal payment of lease liabilities	9	(23,285,655)	(18,855,716)
Net movement in shareholders' current accounts		-	7,128,821
Net cash generated from financing activities		817,119,483	687,788,259
Net increase/ (decrease) in cash and cash equivalents		109,903,262	(159,326,640)
Cash and cash equivalents at the beginning of the year/ period	16	(159,326,640)	-
Cash and cash equivalents at end of the year/ period	16	(49,423,378)	(159,326,640)

The accounting policies and notes as set out in pages 05 to 47 form an integral part of these consolidated financial statements.

**ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY INVESTMENT HOLDING GROUP Q.P.S.C.)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

		Share capital QAR	Legal reserve QAR	Other reserve QAR	Reserve for renewal of furniture, fixtures and equipment QAR	Retained earnings QAR	Total QAR	Non-controlling interests QAR	Total equity QAR
Issuance of shares		10,000,000	-	-	-	-	10,000,000	-	10,000,000
Transfer as a result of business combination under the common control	5	-	49,816,393	3,923,960	-	324,179,871	377,920,224	5,186,940	383,107,164
Changes in ownership interest in subsidiary		-	-	-	-	241,419	241,419	(429,419)	(188,000)
Profit for the period		-	-	-	-	321,933,023	321,933,023	3,626,384	325,559,407
Reversal of dividend		-	-	-	-	90,664,816	90,664,816	-	90,664,816
Elimination of non-controlling interest at disposals of subsidiaries		-	-	-	-	-	-	454	454
Transferred to legal reserves		-	5,100,269	-	-	(5,100,269)	-	-	-
Dividends		-	-	-	-	(37,125,596)	(37,125,596)	(4,379,781)	(41,505,377)
Balance as at December 31, 2021		10,000,000	54,916,662	3,923,960	-	694,793,264	763,633,886	4,004,578	767,638,464
Issue of ordinary shares related to business combination	2.1	3,394,037,500	-	-	-	-	3,394,037,500	-	3,394,037,500
Profit for the year		-	-	-	-	338,178,389	338,178,389	(13,130,675)	325,047,714
Transferred to legal reserves		-	1,954,087	-	-	(1,954,087)	-	-	-
Reserve for renewal of furniture, fixtures and equipment	19	-	-	-	484,072	-	484,072	-	484,072
Share issue costs		-	-	-	-	(19,454,867)	(19,454,867)	-	(19,454,867)
Transfer to social and sports fund activities	22.1	-	-	-	-	(8,126,193)	(8,126,193)	-	(8,126,193)
Balance as at December 31, 2022		3,404,037,500	56,870,749	3,923,960	484,072	1,003,436,506	4,468,752,787	(9,126,097)	4,459,626,690

The accounting policies and notes as set out in pages 05 to 47 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION:

Estithmar Holding Q.P.S.C. (the "Company" or "legal parent") (formerly Investment Holding Group Q.P.S.C.) was established on May 11, 2008 and registered in the State of Qatar under Commercial Registration number 39127. On May 11, 2017, the legal status of the Company was converted from Limited Liability Company to Qatari Public Shareholding Company.

The shareholders of the Estithmar Holding Q.P.S.C., were resolved in their Extraordinary General Meeting (EGM) was held on April 12, 2022 the acquisition of Elegancia Group W.L.L ("Elegancia Group" or "legal subsidiary") by way of share swap (the "Transaction") pursuant to Article 45 of the Offering & Listing of Securities on the Financial Markets Rulebook of the QFMA, Article 195 of the Companies Law, and Article 2 of the QFMA M&A Rules, increase of the authorized and paid up share capital of the Company by QAR 2,574,037,500 (from QAR 830,000,000 to QAR 3,404,037,500) and the issuance of new shares of the Company to the Elegancia Group owners in consideration for their shares in Elegancia Group on the basis of every 1 share, the Elegancia Group owners will be receive 3.10125 new shares of the Company. The acquisition of Elegancia Group by the Company is deemed to be a reverse acquisition under the provisions of IFRS 3 "Business Combinations".

Considering the above representation in the Company's new combined share capital.

DESCRIPTION	AMOUNT QAR
Implied value of Elegancia Group W.L.L. (*)	2,667,000,000
New shares issued	2,574,037,500
New combined share capital	3,404,037,500
Legal parent's representation in the new combined share capital	24.383%
Legal subsidiary's representation in the new combined share capital	75.617%

*According to IFRS 3 para 33, the most reliable measure in reverse acquisition transactions in which acquirer and acquiree exchange only equity interests is the fair value of legal acquiree at the acquisition date.

It was further resolved by the shareholders of the Company in their Extraordinary General Assembly meeting held on May 29, 2022, to change of the Company's name to "Estithmar Holding Q.P.S.C". The Group is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices. The Company's official registered office and place of business is located at Street 303, Lusail City, P.O. Box No. 147966, Doha, State of Qatar. The consolidated financial statements as at and for the year ended December 31, 2022, comprise the assets, liabilities, and results of operations of below listed subsidiaries. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group:

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
Elegancia Group W.L.L.	The Group is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices.	Qatar	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	Provision of facility management and hospitality services, trading and installation of video and audio equipment and planning and organizing public concerts.	Qatar	100%	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	Investment and management of agricultural projects, agricultural consulting, parks management, landscaping, agricultural equipment and material trading, trading of plants and trading of irrigation equipment.	Qatar	100%	100%
Elegancia Human Resources and Contracting W.L.L. (Formerly Challenger Trading and Contracting W.L.L.)	General contracting, trading in building materials, building maintenance, electrical contracting, electronic works and manpower supply.	Qatar	100%	100%
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	Electrical and sanitary contracting, installation of electromechanical equipment, installation, maintenance and repair of elevators, fire warning devices, air conditioning and refrigeration system	Qatar	100%	100%

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	Trading of wood and manufacture and trading of wood related products, executing interior and exterior projects including producing ceilings, walls decorations, timber decorations and producing various wooden furniture.	Qatar	100%	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	Production and formation of metals, production of steel sections and production of cable carriers and accessories.	Qatar	100%	100%
Elegancia Steel Trading W.L.L. (Formerly known as Steel Master Limited for Trading W.L.L.)	Fabrication, erection and trading of steel bars which include services for the alteration in the size and shape of the steel bars.	Qatar	100%	100%
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L.)	Installation and trading of granite and marble stone, granite sand, machinery and equipment related to granite, industrial and natural stone, ceramic and porcelain stone and building materials.	Qatar	100%	100%
Elegancia Gabro Trading and Transport W.L.L. (Formerly known as Gabro Mix Trading and Transport W.L.L.)	Trading Gabro materials and transport services.	Qatar	100%	100%
Elegancia Catering Services W.L.L.	Providing catering services and ready meals supply and catering for large events and gatherings.	Qatar	100%	100%
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	Supply of services across a range of marine industries such as offshore services, marine construction, shipping and acting as a shipping agent.	Qatar	100%	100%

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION		
			DECEMBER 31, 2022	DECEMBER 31, 2021
Steel Tech Trading and Contracting W.L.L.	Manufacturing, trading and installation of fabricated doors, conditioning ducts, windows and cabinets.	Qatar	100%	100%
Steel Tech Factory W.L.L.	Manufacturing, trading and installation of fabricated doors, windows, cabinets, and air-conditioning ducts.	Qatar	100%	100%
Elegancia Steel Doors Trading and Contracting W.L.L. (Formerly Techno Doors Trading and Contracting W.L.L.)	Manufacturing and installation of fabricated doors.	Qatar	100%	100%
Elegancia Steel Ducts Trading and Contracting W.L.L. (Formerly Techno Ducts Trading and Contracting W.L.L.)	Manufacturing, trading and installation of air conditioning ducts.	Qatar	100%	100%
Elegancia Marine Agency W.L.L. (Formerly Giants Marine Services W.L.L.)	Providing agency services to vessel owners and marine mediator services.	Qatar	100%	100%
Elegancia Health Care W.L.L.	Providing management consulting services, facility management services, management and operating of professional labour.	Qatar	100%	100%
The View Hospital - W.L.L.	The main activities of the Company are executing specialized health centers related to health and beauty, skin diseases, single day surgery, treatment by laser, eyes diseases, nose ear and throat, urinary channels, birth and microscopic injection, diet, dermatology and a general hospital.	Qatar	100%	100%

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
Korean Medical Center W.L.L.	The main activities of the business consist of executing special health centers for dermatologists, nose, ear and throat, single day surgery, skin diseases, diet, medical laboratories, family medicine, Chinese acupuncture, physical therapy, internal, urinary channels, eyes diseases, treatment by laser, helping to giving birth and microscopic injection, health and beauty, diagnostic x-ray laboratory, diabetics, endocrine glands, diagnostic x- ray, pediatrics and spinal column and teeth complex.	Qatar	100%	100%
Elegancia Kitchens for Kitchen Equipments Trading and Maintenance W.L.L.	Trade in heating equipment, maintenance of kitchen and restaurant equipment.	Qatar	100%	100%
Elegancia Ventures Real Estate Development W.L.L.	Construction and general contracting, execution of internal design works, interiors design activities and building materials trade.	Qatar	100%	100%
Elegancia Design for Trading and Contracting W.L.L.	Construction and general contracting, execution of internal design works, interiors design activities and building materials trade.	Qatar	100%	100%
Yemek Doha Catering Services W.L.L.	Providing catering services and ready meals supply and catering for large events and gatherings.	Qatar	100%	100%
The Palace Hotel W.L.L.	Operating five stars hotel.	Qatar	100%	100%
Tilal Hotel W.L.L.	Operating five stars hotel.	Qatar	100%	100%
Saddle House for Hospitality W.L.L.	Providing hospitality services.	Qatar	100%	–

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
Elegancia Steel Factory W.L.L.	Importing raw materials for factory products, manufacturing trailers, production of (normal and painted aluminum sectors, raw materials templates and aluminum alloy cylinders, stainless steel handrails, doors and windows, metal structures and constructions, and stainless steel requirements for kitchens.	Qatar	100%	–
Elegancia Stones for Marble and Gypsum Manufacturing W.L.L.	Cutting and forming marble and granite, production of gypsum boards and gypsum power production.	Qatar	100%	–
Elegancia Stone Factory for Marble and Tile Production W.L.L.	Marble production (bricks, interlock, and tile), cutting natural stones and marble cutting, sawing, polishing, forming, and installations	Qatar	100%	–
EWS Management and Consultancy and Medical Services - W.L.L.	Managing and operating the professionals, labours, and facility management.	Qatar	100%	–
Elegancia Events W.L.L.	Preparing and organizing of concerts and public art events.	Qatar	100%	–

Furthermore, these consolidated financial statements comprise the assets, liabilities and result of the operations of the legal parent and its subsidiaries below listed as at December 31, 2022 and for the period from April 12, 2022 to December 31, 2022 (post-acquisition results of the legal parent and its subsidiaries). Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group:

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
Consolidated Engineering Systems Company W.L.L.	Trading of fire alarms, security systems and related contracting activities.	Qatar	100%	–
Trelco Limited Company W.L.L.	Trading of food items, chemicals, IT services, etc.	Qatar	100%	–
Consolidated Supplies Company W.L.L.	Trading of electrical and construction materials.	Qatar	100%	–
Watermaster Qatar W.L.L. (Note i)	Water treatment and contracting activities.	Qatar	63.3%	–
Electro Mechanical Engineering Company W.L.L.	Installation and maintenance of electro-mechanical works.	Qatar	68.5%	–
Construction Development Contracting and Trading Company W.L.L. (Note i)	Contracting and maintenance activities.	Qatar	51%	–
Debbas Enterprises (Qatar) W.L.L.	Trading of electrical equipment, switchgear, light and instrument, electrical tools, electromechanical equipment installation and maintenance works.	Qatar	51%	–
Trelco Building Materials Company W.L.L.	Trading of wood, steel, and other building materials.	Qatar	85%	–

Note i:

The Group owns indirect ownership percentage equal to the voting rights in Watermaster Qatar W.L.L. and Construction Development Contracting and Trading Company W.L.L., equivalent to 36.7% and 49% respectively, through its subsidiary, Trelco Limited Company W.L.L. which is fully owned by the legal parent.

2. BASIS OF PREPARATION:

Subsequent to the EGM held on April 11, 2022, the Company acquired the 100% of the issued share capital of Elegancia Group by issuing 2,574,037,500 new shares to the owners of the Elegancia Group, satisfied through a share-for-share swap and became the legal parent of Elegancia Group. The acquisition of Elegancia Group by the Company is deemed to be a reverse acquisition under the provisions of IFRS 3 "Business Combinations". In accounting for a reverse acquisition, the consolidated financial statements are deemed to be a continuation of the books of the Elegancia Group (the "legal subsidiary") rather than a continuation of those of the Company (the "legal parent"). The overall effect is that the consolidated financial statements are prepared from the legal subsidiary perspective rather than the legal parent, and in summary this means:

- the result for the period and consolidated cumulative retained earnings is those of the Elegancia Group plus the post-acquisition results of the Company and its subsidiaries;
- EPS calculation is based on the outstanding number of shares of the Company and the Comparative information presented in the Group's consolidated financial statements is retroactively adjusted to reflect the legal capital of the Company;
- goodwill arises on the reverse acquisition when comparing the consideration of the Company acquiring the shares of Elegancia Group;
- a goodwill on reverse acquisition amounting to QAR 3,240,035,090 has been identified; and
- the Group incurred share issue costs of QAR 19,454,867 in respect of the fund raising in relation to the reverse acquisition.

The consolidated financial statements for the year ended December 31, 2022, have been prepared in accordance with International Financial Reporting Standards and have been presented in Qatari Riyals which is the functional and presentation currency of the Group.

2.1. The calculation of goodwill resulting from the transaction is as follows:

	QAR
New shares issued	2,574,037,500
Add: Legal parent's share capital	830,000,000
Less: Legal subsidiary's share capital	(10,000,000)
Total equity of the legal parent as of April 12, 2022	3,394,037,500
Share capital	(830,000,000)
Net retained earnings (*)	552,971,828
Legal reserves	(14,684,499)
Miscellaneous other reserves	138,909,704
Non-controlling interest	(1,199,443)
Goodwill	3,240,035,090

*The net retained earnings amount represented the reported retained earnings of Estithmar as of April 12, 2022, amounting of QAR 158,520,661 in addition to elimination of existing goodwill of Estithmar amount of QAR (711,429,489).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2.2. Share capital:

	Number of shares	Issued share capital QAR
Legal parent's share capital	830,000,000	830,000,000
New shares issued	2,574,037,500	2,574,037,500
Total share capital As at December 31, 2022	3,404,037,500	3,404,037,500

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS:

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new and amended standards effective as noted below.

3 a) Newly effective standards and amendments to standards:

The following amendments to standards apply for the first time in 2022 and have been applied by the Group in preparation of these consolidated financial statements.

TOPIC	EFFECTIVE DATE
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 01, 2022
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 01, 2022
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 01, 2022
Annual Improvements to IFRS Standards 2018–2020 “Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41”	January 01, 2022

The adoption of the above amendments and interpretations to the standards did not result in any changes in the previously reported net profit or equity of the Group, but they may result in additional disclosures at the year-end.

3 b) New and amended standards not yet effective, but available for early adoption:

The below new and amended IFRS that are available for early adoption for financial year ending December 31, 2022, are not effective until a later period, and they have not been applied in preparing these consolidated financial statements:

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”	January 01, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 01, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 01, 2023
Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investment in Associates and Joint Ventures” on sale or contribution of assets between an investor and its associate or joint venture	Effective date deferred indefinitely/ available for optional adoption

4. SIGNIFICANT ACCOUNTING POLICIES:

4 a) Basis of accounting:

These consolidated financial statements have been prepared on historical cost basis except for intangible assets and goodwill, investment properties and available for sale investments which are stated at fair value and lease liabilities which are measured at the present value of the lease payments discounted using the Company’s incremental borrowing rate. The entity’s consolidated financial statements are presented in Qatari Riyal, which is the Company’s functional currency. All amounts have been rounded to the nearest Qatari Riyals, unless otherwise indicated.

4 b) Statement of compliance:

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Companies’ Law No. 11 of 2015, as amended by Law No. 8 of 2021

4 c) Foreign currencies:

Transactions in foreign currencies are recorded in Qatari Riyal at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into Qatari Riyal at the rate of exchange prevailing at the date and the resultant gains or losses are included in the statement of profit or loss.

4 d) Basis of consolidation:

The consolidated financial statements incorporate the consolidated financial statements of the Company and entities controlled by the Company made up to December 31 each year. Control is achieved where the Company has:

- power over the investee;
- is exposed or has rights to variable returns from its involvement with the investee; and
- has ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other voted holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder’s meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the net assets of the consolidated subsidiaries is identified separately from the Group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority’s share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority’s interest in the subsidiary’s equity are allocated against the interests of the Group except to the extent that the

minority has a binding obligation and is able to make an additional investment to cover the losses. Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to the transactions between the members of the Group are eliminated on consolidation. The consolidated financial statements provide comparative information in respect of the previous year.

Changes in the Group's ownership interests in certain subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in those subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Group. When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

4 e) Property, plant and equipment:

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit and loss account

ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognized in profit or loss to the extent that it reverses a previous impairing loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve. Any loss is recognized in profit or loss.

iii) Subsequent expenditure

Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv) Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is

generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Building improvements	5 - 20 years
Furniture and fixtures	3 - 5 years
Machinery and equipment	3 - 7 years
Office equipment	3 - 5 years
Tools	2 - 3 years
Motor vehicles	3 - 5 years
Scaffolding	2 - 5 years
Fleet crafts	10 - 25 years
Crafts small boats	5 - 7 years
Computer equipment	2 - 4 years
Vessel equipment	3 - 5 years
Dry docking	2 - 3 years
Plant	3 - 5 years
Tenant and shades	5 years
IT equipment	3 - 5 years
Electrical equipment	3 - 5 years
Leasehold improvement	5 -10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4 f) Capital work in progress:

All expenditures and costs incurred in the development during construction phase are capitalized and are initially recorded as capital work in progress. These costs will be transferred to property, plant and equipment when the assets are ready for their intended use.

4 g) Intangible assets and goodwill:

i) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit and loss as incurred.

iii) Amortization

Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated lives and is generally recognized in profit or loss. Goodwill is not amortized.

The estimated useful lives are as follows:

Manufacturing license	3 - 5 years
IT Software	5 years

iv) Amortization

Amortization method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4 h) Investment properties:

Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment loss/ fair value with any change therein recognized in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

4 i) 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.

i) Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date.

ii) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified by the Group as follows:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost includes accounts receivable and certain accounts of other debit balances, contract assets, due from related parties and retention receivables.

Financial assets at fair value through profit or loss

The Group's investment in unquoted equity instrument cannot be classified as an instrument within a cash flow and business model to hold to collect solely payments of principal and interest nor held to collect solely payments of principal and interest and sell. Accordingly, as permitted by IFRS 9, the Group has measured the instrument at fair value through profit or loss (FVTPL).

Management of the Group used earnings-based valuation methods for valuing its unlisted equity shares and the fair value gains/ losses from this valuation has been recognized directly in the statement of profit or loss.

iii) Impairment of financial instruments

The Group recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Group considers a financial asset to be in default in case of:

- a) Default or delinquency by a debtor;
- b) Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- c) Indications that a debtor will enter bankruptcy; or
- d) Observable data indicating that there is measurable decrease in expected cash flows from a Group of financial assets.

Financial assets measured at amortized cost

The financial assets at amortized cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for certain financial assets at an amount equal to lifetime ECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organizations, as well as consideration of various external sources of

actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days in average past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default.
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term.
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of impairment

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

iv) Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

v) Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4 j) Inventories:

Inventories are stated at the lower of cost and net realizable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method for construction materials, spares and merchandise. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4 k) Construction contracts in progress:

Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured costs incurred plus profits recognized to date less progress billing and recognized losses. In the statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billing and recognized losses are presented as accounts and other receivables. Contracts for which progress billing and recognized losses exceed costs incurred plus recognized profits are presented as deferred income / revenue. Advances received from customers are presented as deferred income / revenue.

4 l) Income tax:

Income Tax is provided in accordance with Qatar Income Tax Regulations set out in Qatar Income Tax Law No. 24 of 2018. Income tax expense comprises current tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

4 m) Leases:

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.
To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
 - the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
 - the Group has the right to direct the use of the identified asset throughout the period of use.
- The Group assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

The Group as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).
The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.
At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in, in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

The Group’s accounting policy under IFRS 16 has not changed from the comparative year. As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

4 n) Payables and accruals:

Payables and accruals are stated at their cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed or not to the Group.

4 o) Provisions:

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4 p) Related parties:

The Group, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. These transactions have been carried out on the basis of terms agreed between the Group and the management of such related parties.

4 q) Employees' end of service benefits:

Employees’ end of service benefits represents terminal gratuity and are provided for services rendered based on entitlements stipulated in the employees’ contracts of employment and their length of service, subject to the completion of a minimum service completion of a minimum service period. End of service indemnities are provided in accordance with the Qatari Labor Law. Under law no. 24 of 2002.

4 r) Revenue recognition:

Revenue from contracts with customers

The Group is in the business of contracting, specialized contracting, maintenance service, sale of goods, chemicals, security equipment (fire alarm, CCTV), electrical material, building material, installation, real estate property renting and providing project management services, hotel operations, entertainment, and healthcare services.
Revenue from these sources is recognized in the consolidated statement of profit or loss and other comprehensive income by the Group as follows:

TYPE OF SERVICE	NATURE, TIMING AND SATISFACTION OF PERFORMANCE OBLIGATIONS	REVENUE RECOGNITION
Construction contracts	The Group builds civil construction and electro-mechanical works for customers based on the design on their premises. Each project commences on receipt of advances from a customer and its length depends on the complexity of the design.	Revenue is recognized over time using an input method usually percentage of completion to measure progress towards complete satisfaction of the service, because the Group’s performance creates or enhances a customer-controlled asset.

TYPE OF SERVICE	NATURE, TIMING AND SATISFACTION OF PERFORMANCE OBLIGATIONS	REVENUE RECOGNITION
Construction contracts	The Group builds civil construction and electro-mechanical works for customers based on the design on their premises. Each project commences on receipt of advances from a customer and its length depends on the complexity of the design.	Revenue is recognized over time using an input method usually percentage of completion to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances a customer-controlled asset.
Installation services	The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.	The Group recognizes revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.
Revenue from sale of goods	These are arising from sale of electrical materials, building materials, food items and trading goods.	Revenue is recognized when control over the goods is transferred to the buyer.
Sales of security equipment	These are revenue from sale of and installation of security equipment which are completed over time.	Revenue is recognized over time, using an input method to measure progress towards complete satisfaction of the service.
Rendering of services	These are revenue from rendering of services. Since the customer consumes the benefits as and when services are rendered by the Group. Invoices are usually issued upon completion of the job as agreed in the specific contract.	Revenue is recognized over time as the services are provided. The stage of completion for determining the amount of revenue is assessed based on the input method. The related costs are recognized in the statement of profit or loss when they are incurred.
Investment property rental income	These are revenue arising from renting investment property.	Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.
Dividend income	These are dividend income arising from equity investments.	Dividend income is recognized on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

4 s) Contract balances:

Contract assets and contract liabilities

The Group has determined that contract assets and liabilities are to be recognized at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

4 t) Expenses recognition:

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably. An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

4 u) Current vs. non-current classification:

The Group presents assets and liabilities based on current/non-current classification.

An asset is current when:

- It is expected to be realized or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period (or receivable on demand); or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period (or payable on demand); or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

4 v) Finance costs:

The Group's finance costs include interest expense. Interest expense is recognized using the effective interest method.

4 w) Critical accounting judgments and key sources of estimation uncertainty:

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associates assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimated are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

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. The Group has been profitable, and it had positive net assets, working capital and cash flow positions as at December 31, 2022. Furthermore, 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 continue to be prepared on a going concern basis.

Useful lives, residual values and related depreciation charges of property, plant and equipment

Management determines the estimated useful lives and residual values of its property, plant and equipment to calculate the depreciation. This estimate is determined after considering the expected usage of the asset and intangibles, physical wear and tear. Management reviews the residual value and useful lives annually. Future depreciation charge would be adjusted where management believes the useful lives differ from previous estimates.

Useful lives of intangible assets

Management determines the estimated useful lives of its intangible assets for calculating amortization. This estimate is determined based on the expected patten of consumption of future economic benefits embodied in the assets.

Lease period

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 are only included in lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the leases. During the year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognized lease liabilities and right-of-use assets.

Determining the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Impairment of financial assets

The Group’s management reviews periodically items classify as receivables to assess whether a provision for impairment should be recorded in the statement of profit or loss and other comprehensive income. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

Fair value of investment property

The fair value of investment property is determined by valuation from an external professional real estate valuer using recognized valuation technique and the principals of IFRS 13 “Fair Value Measurement”. These valuations entail significant estimates and assumptions about the future.

Goodwill

Management tests annually whether goodwill has endured any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in use calculations. These calculations required the use of estimates.

Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old, unusable or obsolete, an estimate is made of their net realizable value. For individual significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence, based on historical selling price.

Provision for employees’ end of service benefits

Management has measured the Group’s obligation for the post-employment benefits of its employees based on the provisions of the relevant labor laws. Management does not perform an actuarial valuation as required by IAS 19 “Employee Benefits” as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees’ end of service benefits in the profit or loss.

Contingent liabilities

Contingent liabilities are determined by the likelihood of occurrence or non-occurrence of one or more uncertain future events. Assessment of contingent liabilities is tightly connected with development of significant assumptions and estimates relating to the consequences of such future events.

5. BUSINESS COMBINATION UNDER COMMON CONTROL:

The formation of the Elegancia Holding Group W.L.L. (the “Elegancia Holding” or “Legal Subsidiary”) was a result of the management’s reorganisation plan wherein Elegancia Holding acts as a holding company for all the entities which were previously owned by Power International Holding W.L.L. and its subsidiaries (the “PIH Group”), a Limited Liability Company incorporated in the State of Qatar. The shareholders of the Elegancia Holding and PIH Group were both the same. The shareholders resolved to transfer the below mentioned investments in subsidiaries to the Elegancia Holding at its net carrying amount as of January 01, 2021.

	Ultimate ownership interest as at December 31,	
	2022	2021
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	100%	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	100%	100%
Elegancia Human Resources and Contracting W.L.L. (Formerly known as Challenger Trading and Contracting W.L.L.)	100%	100%
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	100%	100%
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	100%	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	100%	100%
Elegancia Steel Trading W.L.L. (Formerly known as Steel Master Limited for Trading W.L.L.)	100%	100%
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L.)	100%	100%
Elegancia Gabro Trading and Transport W.L.L. (Formerly known as Gabromix Trading and Transport W.L.L.)	100%	100%
Elegancia Catering Services W.L.L.	100%	100%
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	100%	100%
Steel Tech Trading and Contracting W.L.L.	100%	100%
Steel Tech Factory W.L.L.	100%	100%
Elegancia Steel Doors Trading and Contracting W.L.L. (Formerly Techno Doors Trading and Contracting W.L.L.)	100%	100%
Elegancia Steel Ducts Trading and Contracting W.L.L. (Formerly Techno Ducts Trading and Contracting W.L.L.)	100%	100%
Elegancia Marine Agency W.L.L. (Formerly Giants Marine Services W.L.L.)	100%	100%
Elegancia Healthcare W.L.L.	100%	100%
Elegancia Kitchens For Kitchen Equipments Trading and Maintenance W.L.L.	100%	100%
Elegancia Ventures Real Estate Development W.L.L.	100%	100%
Elegancia Design for trading and Contracting W.L.L.	100%	100%

The transfer has been accounted for in these consolidated financial statements from January 01, 2021. The transfer was made at the consideration equal to the net assets book value.

The carrying values of the assets and liabilities of these entities as of the date of transfer were as follows:

ASSETS

Property, plant and equipment	670,473,177
Investment properties	110,108,732
Intangible assets	1,041,944
Right-of-use assets	82,694,508
Inventories	189,979,561
Retention receivables	106,856,498
Trade and other receivables	1,084,200,859
Contract assets	380,165,591
Cash and bank balances	44,616,436
Total assets	2,670,137,306

LIABILITIES

Loans and borrowings	680,663,695
Due to related parties	29,366,599
Lease liabilities	72,667,214
Employees' end of service benefits	58,532,432
Trade and other payables	1,180,785,207
Contract liabilities	14,602,841
Bank overdraft	144,652,535
Total liabilities	2,181,270,523

Net assets

Less: Consideration for transfers	(105,802,000)
Net assets recognised on business combination under common control	383,064,783

The net assets transferred to the Elegancia Group - W.L.L. is accounted in the equity portion of the consolidated statement of financial position as follows:

	Amount
	QAR
Legal reserve*	49,916,393
Other reserve	3,923,960
Retained earnings	324,114,631
Non-controlling interest	5,109,799
Net assets recognized on business combination under common control	383,064,783

* The amount consists of the legal reserves of the individual subsidiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINGENT LIABILITIES

6. PROPERTY, PLANT AND EQUIPMENT

	Balance at January 01, 2022	Acquisition through business combination	Disposals during the year	Transfer to intangible assets	Transfer to right-of-use assets	Transfer to investment properties	Transfer to other assets	Balance at December 31, 2022
Cost:								
Balance at January 01, 2022	19,403,383	18,203,315	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	22,803,315
Acquisition through business combination	-	18,203,315	-	-	-	-	-	18,203,315
Disposals during the year	-	-	(1,100,000)	-	-	-	-	(1,100,000)
Transfer to intangible assets	-	-	-	1,100,000	-	-	-	1,100,000
Transfer to right-of-use assets	-	-	-	-	1,100,000	-	-	1,100,000
Transfer to investment properties	-	-	-	-	-	1,100,000	-	1,100,000
Transfer to other assets	-	-	-	-	-	-	1,100,000	1,100,000
Balance at December 31, 2022	19,403,383	36,406,630	(1,100,000)	1,100,000	1,100,000	1,100,000	1,100,000	56,009,013
Accumulated depreciation:								
Balance at January 01, 2022	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	6,600,000
Acquisition through business combination	-	1,100,000	-	-	-	-	-	1,100,000
Disposals during the year	-	-	(1,100,000)	-	-	-	-	(1,100,000)
Balance at December 31, 2022	1,100,000	2,200,000	-	-	-	-	-	3,300,000
Net book value:								
Balance at January 01, 2022	18,303,383	17,103,315	-	-	-	-	-	21,703,315
Balance at December 31, 2022	18,303,383	34,206,630	(1,100,000)	1,100,000	1,100,000	1,100,000	1,100,000	52,709,013

	Balance at January 01, 2022	Acquisition through business combination	Disposals during the year	Transfer to intangible assets	Transfer to right-of-use assets	Transfer to investment properties	Transfer to other assets	Balance at December 31, 2022
Cost:								
Balance at January 01, 2022	19,403,383	18,203,315	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	22,803,315
Acquisition through business combination	-	18,203,315	-	-	-	-	-	18,203,315
Disposals during the year	-	-	(1,100,000)	-	-	-	-	(1,100,000)
Transfer to intangible assets	-	-	-	1,100,000	-	-	-	1,100,000
Transfer to right-of-use assets	-	-	-	-	1,100,000	-	-	1,100,000
Transfer to investment properties	-	-	-	-	-	1,100,000	-	1,100,000
Transfer to other assets	-	-	-	-	-	-	1,100,000	1,100,000
Balance at December 31, 2022	19,403,383	36,406,630	(1,100,000)	1,100,000	1,100,000	1,100,000	1,100,000	56,009,013
Accumulated depreciation:								
Balance at January 01, 2022	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	6,600,000
Acquisition through business combination	-	1,100,000	-	-	-	-	-	1,100,000
Disposals during the year	-	-	(1,100,000)	-	-	-	-	(1,100,000)
Balance at December 31, 2022	1,100,000	2,200,000	-	-	-	-	-	3,300,000
Net book value:								
Balance at January 01, 2022	18,303,383	17,103,315	-	-	-	-	-	21,703,315
Balance at December 31, 2022	18,303,383	34,206,630	(1,100,000)	1,100,000	1,100,000	1,100,000	1,100,000	52,709,013

6.3. Depreciation charge for the year ended December 31, 2022

	Balance at January 01, 2022	Acquisition through business combination	Disposals during the year	Balance at December 31, 2022
Cost:				
Balance at January 01, 2022	1,100,000	1,100,000	1,100,000	2,200,000
Acquisition through business combination	-	1,100,000	-	1,100,000
Disposals during the year	-	-	(1,100,000)	-
Balance at December 31, 2022	1,100,000	2,200,000	-	3,300,000
Net book value:				
Balance at January 01, 2022	18,303,383	17,103,315	-	21,703,315
Balance at December 31, 2022	18,303,383	34,206,630	(1,100,000)	52,709,013

6.3. Depreciation charge for the year ended December 31, 2022

	Balance at January 01, 2022	Acquisition through business combination	Disposals during the year	Balance at December 31, 2022
Cost:				
Balance at January 01, 2022	1,100,000	1,100,000	1,100,000	2,200,000
Acquisition through business combination	-	1,100,000	-	1,100,000
Disposals during the year	-	-	(1,100,000)	-
Balance at December 31, 2022	1,100,000	2,200,000	-	3,300,000
Net book value:				
Balance at January 01, 2022	18,303,383	17,103,315	-	21,703,315
Balance at December 31, 2022	18,303,383	34,206,630	(1,100,000)	52,709,013

7. INVESTMENT PROPERTY:**Cost:**

Balance at the beginning of the year/ period
 Transfer resulting from the business combination
 Addition during the year/ period
Balance at the end of the year/ period

2022	2021
QAR	QAR
256,419,541	-
2,530,208	256,142,065
327,678	277,476
259,277,427	256,419,541

Accumulated depreciation:

Balance at the beginning of the year/ period
 Transfer resulting from the business combination
 Depreciation for the year (Note 24)
Balance at the end of the year/ period

168,500,000	-
-	146,033,333
-	22,466,667
168,500,000	168,500,000

Net book value:

At the end of the year

90,777,427	87,919,541
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7 a) Investment property represent follows, which are held for capital appreciation and earnings rental income respectively.

- Lands in Fox Hills district QAR 88,226,225
- Building in Shahania district amounting to QAR 168,500,000.
- Several apartments situated outside Qatar to QAR 2,551,202.

7 b) Investment property is stated at cost; management of the Group assessed that the fair value is not significantly different from the carrying value as of reporting date.

8. INTANGIBLE ASSETS:**Cost:**

Transfer resulting from the business combination
 Additions during the period
Balance at December 31, 2021

Manufacturing license	IT software	Total
QAR	QAR	QAR
1,542,288	1,566,652	3,108,940
-	6,045,650	6,045,650
1,542,288	7,612,302	9,154,590

Additions during the year
Balance at December 31, 2022

-	2,107,762	2,107,762
1,542,288	9,720,064	11,262,352

Accumulated amortization:

Transfer resulting from the business combination
 Amortization during the period
Balance at December 31, 2021

835,260	1,231,736	2,066,996
184,830	1,329,848	1,514,678
1,020,090	2,561,584	3,581,674

Amortization during the year
Balance at December 31, 2022

184,832	1,461,156	1,645,988
1,204,922	4,022,740	5,227,662

Carrying amounts:

At December 31, 2021

522,198	5,050,718	5,572,916
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At December 31, 2022

337,366	5,697,324	6,034,690
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8 a) Amortization expenses for the year was presented in the consolidated financial statements as follows:

Cost of operations (Note 24)
 General and administrative expenses (Note 25)
Total

Year ended	Period from
December 31,	November 03,
2022	2020 (Inception
QAR	Date) to
	December 31,
	2021
	QAR
423,668	543,314
1,222,320	971,364
1,645,988	1,514,678

9. LEASES:**9 a) Right-of-use assets**

Balance at the beginning of the year/ period
 Transfer resulting from the business combination
 Additions during the year/ period
 Modification to the lease contracts during the year/ period
 Depreciation of right-of-use assets
 Depreciation expenses transferred to a related party
 Derecognition due to early termination of the lease contract
Balance at the end of the year/ period

2022	2021
QAR	QAR
27,951,550	-
13,766,954	82,694,508
81,485,821	10,267,638
455	(47,691,700)
(22,347,990)	(14,005,556)
(74,554)	-
(1,856,182)	(3,313,340)
98,926,054	27,951,550

9 b) Depreciation of right-of-use assets for the year was presented in the consolidated financial statements as follows:

Cost of operations (Note 24)
 General and administrative expenses (Note 25)
 Depreciation expenses transferred to a related party
Total

Year ended	Period ended
December 31,	December 31,
2022	2021
QAR	QAR
2,561,871	4,044,664
19,786,119	9,960,892
74,554	-
22,422,544	14,005,556

9 c) Lease liabilities

Balance at the beginning of the year/ period
 Transfer resulting from the business combination
 Additions during the year/ period
 Modification to a lease contract during the year/ period
 Interest expense for the year/ period
 Payments during the year/ period
 Derecognition due to early termination of the lease contract
Balance at the end of the year/ period

2022	2021
QAR	QAR
20,565,598	-
17,061,064	72,667,214
81,486,276	10,267,638
-	(42,403,448)
2,710,702	2,512,434
(25,991,070)	(18,855,716)
(1,802,478)	(3,622,524)
94,030,092	20,565,598

The lease liabilities are presented as follows:

Non-current
 Current
Total

69,374,812	18,433,636
24,655,280	2,131,962
94,030,092	20,565,598

9. LEASES (CONTINUED):**9 d) Interest expense on finance lease arrangements**

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
Interest expense for the year/ period	2,710,702	2,512,434

9 e) Group entered into lease contracts with various landlords for lease of varies premises. These lease liabilities are repayable by rental obligations which varies based on the terms of contracts with the various landlords, and usually for a period between 2 to 5 years, bears an implicit interest rate of 5% to 6% per annum, and is effectively secured as the rights to the leased assets revert to the lessor in the event of default.

10. RETENTION RECEIVABLES:

	December 31,	
	2022 QAR	2021 QAR
Retention receivables	141,410,901	57,773,921
Less: impairment of retention receivables (Note 10 b)	(5,518,307)	(671,628)
Net value of retention receivables	135,892,594	57,102,293

For the presentation purposes, the retention receivable is disclosed as follows:

Non-current	43,833,031	18,060,678
Current	92,059,563	39,041,615
Total	135,892,594	57,102,293

10 a) Retentions receivable represent amounts withheld by the customers in accordance with contract terms and conditions. These amounts are to be released upon fulfilment of contractual obligations.

	2022 QAR	2021 QAR
Balance at the beginning of the year/ period	671,628	-
Transfer resulting from the business combination	4,423,161	671,628
Provision for impairment of retention during the year/ period (Note 26)	423,518	-
Balance at the end of the year/ period	5,518,307	671,628

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

	2022 QAR	2021 QAR
Transfer resulting from the business combination	31,000,000	-
Balance at the end of the year/ period	31,000,000	-

11 a) Investment in securities refers to investment in unquoted shares representing 2.5% shareholding in Doha Cables Qatar W.L.L. The fair value of the unquoted shares were determined based on appropriate equity pricing model that takes into account the investee's net asset, earnings and market values of the same type of business entity.

11 b) Management believes that there is no significant change in the fair value of these shares. Accordingly, no changes in fair values were recognized in the consolidated statement of profit or loss during the period.

12. INVENTORIES:

	December 31,	
	2022 QAR	2021 QAR
Electrical and electronic materials	57,533,768	236,658,194
Raw materials	63,656,241	40,930,252
Supplies and Consumables	55,132,281	74,929,346
Finished goods	50,780,576	13,999,339
Other materials	21,219,701	25,346,069
Steel bars	5,308,330	4,535,881
Spare parts	53,918	78,537
Paints	-	306,908
Steel parts	4,116	57,435
Total	253,688,931	396,841,961
Less: impairment for slow moving inventories (Note 12 a)	(19,752,606)	(13,595,822)
Total	233,936,325	383,246,139

12 a) Movement in impairment for slow moving inventories is presented as follows:

	2022 QAR	2021 QAR
Balance at the beginning of the year/ period	13,595,822	-
Transfer resulting from the business combination	3,730,704	-
Provision for impairment for slow moving inventory (Note 25)	2,426,080	13,595,822
Balance at the end of the year/ period	19,752,606	13,595,822

13. CONTRACT ASSETS AND LIABILITIES:

	December 31,	
	2022 QAR	2021 QAR
Contracts valued at cost plus attributable profit	2,344,023,636	385,579,602
Less: Progress billings	(1,517,505,991)	(117,172,226)
Total	826,517,645	268,407,376

13 a) The amounts have been presented in the consolidated statement of financial position as follows:

	December 31,	
	2022 QAR	2021 QAR
Contract assets	951,742,831	385,579,602
Contract liabilities	(125,225,186)	(117,172,226)
Total	826,517,645	268,407,376

14. TRADE AND OTHER RECEIVABLES:

	December 31,	
	2022 QAR	2021 QAR
Accounts receivable	833,049,631	593,922,459
Notes receivables	104,159,522	93,141,697
Total accounts receivables (Note 14 a)	937,209,153	687,064,156
Less: allowance for impairment of receivables (Note 14 b)	(143,054,264)	(116,932,938)
Net accounts receivables	794,154,889	570,131,218

14. TRADE AND OTHER RECEIVABLES (CONTINUED):**Net accounts receivables**

Advances paid to suppliers (Note 14 c)

Accrued revenue

Prepayments

Refundable deposits

Due from staff

Other receivables (Note 14 d)

Total

December 31,	
2022	2021
QAR	QAR
794,154,889	570,131,218
299,382,783	209,308,529
55,831,288	15,846,119
92,305,328	12,699,521
7,970,630	3,772,310
1,046,649	40,058,905
55,796,790	23,674,406
1,306,488,357	875,491,008

14 a) The aging of the receivable is as follows:

i) Aging of neither past due nor impaired
Up to 90 daysii) Aging of past due but not impaired
91 - 180 days
Above 180 daysiii) Aging of past due impaired
Above 180 days**Total**

December 31,	
2022	2021
QAR	QAR
572,713,263	362,607,879
62,374,070	-
159,067,556	207,523,339
221,441,626	207,523,339
143,054,264	116,932,938
937,209,153	687,064,156

14 b) Movement in allowance for impairment of receivables is presented as follows:

Balance at the beginning of the period/ year

Transfer resulting from the business combination

Provision for impairment of receivables (Note 26)

Written off during the year/ period

Balance at the end of the year/ period

2022	2021
QAR	QAR
116,932,938	-
15,609,076	115,764,049
11,586,718	1,168,889
(1,074,468)	-
143,054,264	116,932,938

14 c) Advance paid to suppliers are presented as follows:

Advance paid to suppliers

Less: provision for impairment of advance paid to suppliers (Note 26)

Net advance paid to suppliers

December 31,	
2022	2021
QAR	QAR
300,625,999	209,308,529
(1,243,216)	-
299,382,783	209,308,529

14 d) Other receivables are presented as follows:

Other receivables

Less: provision for impairment of other receivables (Note 26)

Net other receivables

December 31,	
2022	2021
QAR	QAR
64,085,618	23,674,406
(8,288,828)	-
55,796,790	23,674,406

14 e) In determining the recoverability of accounts receivable, the Company considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. The concentration of credit risks is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the existing provision for doubtful debts.

15. RELATED PARTIES TRANSACTIONS AND BALANCES:

These represent transactions with related parties, i.e. major shareholders, joint ventures, directors and senior management of the group of the companies, and the companies in which they are principal owners. Pricing policies and terms of these transactions are approved by the respective management.

15 a) Due from related parties**Shareholders:**

Mr. Moutaz Al Khayyat

Mr. Ramez Al Khayyat

Urbacon Trading and Contracting W.L.L.

Affiliates:

UCC-Bahadir-Tedeschia Joint Venture

Aura Entertainment Services W.L.L.

REE Asyad JV

Golden Bay Contracting and trading W.L.L.

Infraroad Trading and Contracting Co. W.L.L.

Urbacon Workshop Department

Pentagram Design Trading and Contracting W.L.L.

Arab Builders Company W.L.L.

Servicom - W.L.L.

Assets Properties Management W.L.L.

UCC Acciona JV

Al-Khayyat Trading and Contracting Co. W.L.L.

UCC Promar JV

The Canteen W.L.L.

UCC Infraroad Yuksil JV

Al Hodaifi Group W.L.L.

Prolines - W.L.L.

Cuizina Aldoha Catering Services W.L.L.

Trelco Security Equipment Services W.L.L.

The Eight Hotel W.L.L.

Ithaafushi Maldives Projects

Syrian American Medical Centre

Profession Aluminum Co. W.L.L.

Assets Hotels and Resort Management

Industrial Development Trading Company W.L.L.

Lusail Queen Yacht

UCC Promar Marine Contracting W.L.L.

Debbas Holding Co

Snathe Qatar - W.L.L.

ETA - PCS Switchgear L.L.C.

Urbacon Holding W.L.L.

Aura Hospitality W.L.L.

Elegancia Canteen

Subtotal carried forward

December 31,	
2022	2021
QAR	QAR
4,259,643	2,180,920
7,393,110	1,457,108
219,226,692	269,744,270
65,690,444	49,662,281
29,347,757	737,632
28,553,807	19,308,709
23,371,727	24,801,036
14,675,267	23,565,831
14,052,894	-
13,111,423	10,926,078
13,054,071	10,978,817
10,123,770	-
8,648,078	1,643,865
7,810,683	4,796,535
6,908,926	5,381,104
5,089,534	9,907,938
4,298,112	-
3,264,488	-
2,490,299	-
1,412,411	-
1,263,619	-
1,136,562	-
974,536	-
954,078	-
485,396	-
472,905	202,874
467,513	-
436,400	-
407,863	-
320,296	7,335
320,093	-
308,651	-
292,856	-
199,698	2,799,851
-	2,629,635
-	3,993,557
490,823,602	444,725,376

15 a) Due from related parties (Continued)

	December 31,	
	2022 QAR	2021 QAR
Subtotal brought forward	490,823,602	444,725,376
Dimension Group - W.L.L.	291,624	-
Baladna for Animal Production W.L.L.	133,200	20,000
Palma Group W.L.L.	78,850	-
Temasq Beauty Lounge & Spa	77,435	-
Union Iron and Steel Company W.L.L.	66,891	47,591
United Foods Services W.L.L.	65,800	74,750
Building Development Technology Company W.L.L.	59,306	-
Global Construction Equipment Company W.L.L.	54,132	-
Debbas Enterprise (Lebanon)	31,031	-
Levant Restaurants W.L.L.	26,550	-
Basta Restaurant W.L.L.	18,250	26,550
Pizza One	14,722	-
I Shield W.L.L.	9,702	-
Mr. Sultan Bin Ghanem Al Hodaifi	4,500	-
Foodmania Restaurant W.L.L.	3,500	3,500
Ithaafushi Investment (Private) Limited	-	671,639
Baladna Food Industries W.L.L.	-	22,593,611
Stark Securities Company W.L.L.	-	7,146,845
WMC International GmbH	-	250,000
SMIQ GmbH	-	100,000
Damasca One Restaurant W.L.L.	-	85,169
Elegancia Marco W.L.L.	-	36,800
Nakhchivan W.L.L.	-	17,950
Mr. Mohamad M. Reslan Al Khayyat	-	10,600
Less: allowance for impairment of due from related parties (Note 15 b)	(954,896)	-
Net due from related parties	490,804,199	475,810,381

15 b) Movement in allowance for impairment of due from related parties is presented as follows:

	2022 QAR	2021 QAR
Transfer resulting from the business combination	600,275	-
Provision for impairment of due from related parties (Note 26)	354,621	-
Balance at the end of the year/ period	954,896	-

15 c) Due to related parties

	December 31,	
	2022 QAR	2021 QAR
Urbacon Plant, Machinery And Vehicle	35,296,919	37,208,534
Assets Real Estate Development W.L.L.	24,444,580	7,474,322
Power International Holding Company W.L.L.	10,733,931	713,298
Baladna Food Industries W.L.L.	9,695,376	-
Stark Securities Company W.L.L.	7,719,319	-
Aura Hospitality W.L.L.	4,922,095	-
Subtotal carried forward	92,812,220	45,396,154

15 c) Due to related parties

	December 31,	
	2022 QAR	2021 QAR
Subtotal brought forward	92,812,220	45,396,154
Credo Trading Company W.L.L.	4,760,875	8,251,021
Aura Lifestyle W.L.L.	3,594,872	3,696,274
Loyalty For Business Development And Investment Holding W.L.L.	3,000,000	3,000,000
Cesar Debbas and Fils W.L.L.	2,662,686	-
Printshop For Printing Services W.L.L.	709,622	518,166
Ithaafushi Investment (Private) Limited	480,153	-
Global Tourist and Travel Company W.L.L.	374,858	-
Forad SARL	308,824	-
Joury Tours And Travels W.L.L.	295,808	1,339,455
Joury Logistic Company W.L.L.	189,958	189,958
International Design & Consultant Company W.L.L.	123,904	1,953,028
Louloat Alshareq Restaurant W.L.L.	70,879	1,334
Orient Pearl Restaurant W.L.L.	23,502	336,958
Damasca One Restaurant W.L.L.	10,696	-
UCC - Sacyr JV	10,145	-
Qatar Duct W.L.L.	4,218	-
Urbacon Trading And Contracting Facility Management Division	-	27,026,975
Highness Holding Company W.L.L.	-	1,250,000
Syrian American Medical Centre	-	29,678
Gulfmed Supply Company W.L.L.	-	5,785
Global Security System Company W.L.L.	-	40,216
Other related parties	692,231	-
Total	110,125,451	93,035,002

15 d) Loan from a related party

The Group has obtained a loan from Credo Trading W.L.L. as a part of the Group's restructuring plan. The loan carries an interest rate of 2% plus Qatar Central Bank money market lending rate subject to a minimum of 4.5% per annum.

15 e) Transactions with related parties

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
Revenue	2,568,029,576	1,999,401,443
Expenses	1,039,424,501	262,924,148

16. CASH AND BANK BALANCES:

	December 31,	
	2022 QAR	2021 QAR
Cash in hand	1,851,624	3,557,475
Cash at bank - current accounts	165,635,319	37,887,582
Total	167,486,943	41,445,057

16 a) For the purpose of consolidated cash flows statement, the amount of cash and cash equivalents is presented as follows:

	December 31,	
	2022	2021
	QAR	QAR
Total cash and cash equivalents	167,486,943	41,445,057
Bank overdraft	(216,009,542)	(199,473,655)
Restricted cash (cash margin held against bank guarantees)	(900,779)	(1,298,042)
Net cash and cash equivalents	(49,423,378)	(159,326,640)

17. SHARE CAPITAL:

	December 31,	
	2022	2021
	QAR	QAR
Authorized and issued	3,404,037,500	2,574,037,500
Reverse acquisition reserve (Note 17 c)	-	(2,564,037,500)
Total	3,404,037,500	10,000,000

17 a) 3,404,037,500 ordinary shares of QAR 1 per share.

17 b) Authorized and issued share capital of QAR 3,404,037,500 reflected newly issued capital of QAR 2,574,037,500 as the consideration and QAR 830,000,000 authorized and issued capital of the Company at the beginning of the period.

17 c) The outstanding number of shares as at December 31, 2021 has been adjusted retroactively to reflect the legal capital of the accounting acquirer in accordance with IFRS 3 para 14.3.

18. LEGAL RESERVE:

In accordance with Qatar Commercial Companies Law No. 11 of 2015 whose certain provision were subsequently amended by law No. 8 of 2021 and the Group's Articles of Association, 10% of net income for the year is required to be transferred to the legal reserve, the Group may discontinue such transfer if the legal reserve reached 50% of the paid capital. This reserve is not available for distribution except in circumstances stipulated in the Commercial Companies Law.

19. RESERVE FOR RENEWAL OF FURNITURE, FIXTURES AND EQUIPMENT:

In accordance with the hotels operation management agreements relating to The Palace Hotel W.L.L. and Tilal Hotel W.L.L., expenditure on replacement of furniture, fixtures and equipment are charged to a reserve for renewal of furniture, fixtures and equipment. This reserve is established through an annual charge in the statement of profit or loss at an agreed rate of 4% of gross revenue.

20. EMPLOYEES' END OF SERVICE BENEFITS:

	2022	2021
	QAR	QAR
Balance at the beginning of the year/ period	86,946,928	-
Transfer resulting from the business combination	20,238,623	58,532,432
Provision for the year/ period	33,822,621	33,678,644
Payments made during the year/ period	(40,822,435)	(5,188,075)
Transfer to related parties	(590,947)	(76,073)
Balance at the end of the year/ period	99,594,790	86,946,928

21. LOANS AND BORROWINGS:

	December 31,	
	2022	2021
	QAR	QAR
Term loans (Note 21 a)	1,066,611,212	419,672,804
Demand loans (Note 21 b)	78,577,889	154,121,330
Factor finance (Note 21 c)	91,897,053	109,771,902
Projects finance (Note 21 d)	197,723,384	25,469,798
Murabaha (Note 21 e)	152,591,996	18,902,958
Total loan and borrowings	1,587,401,534	727,938,792

The interest-bearing borrowings are presented in the consolidated statement of financial position as follows:

	December 31,	
	2022	2021
	QAR	QAR
Non-current	915,781,502	336,166,817
Current	671,620,032	391,771,975
Total	1,587,401,534	727,938,792

Note 21 a) Term loans

Term loans consists of a number of commercial and term loans used for various purposes. These loans are secured by personal and corporate guarantees. Term loans have different maturity dates and bears interest rate of 5.5% per annum.

Note 21 b) Demand loans

Demand loan represents loans obtained from a local bank to finance working capital requirements. This loan bear an interest rate of 4.5% per annum. The loan is backed by certified project receivables and undertaking by the JV partners that no fund will be drawn from the project by way of dividends or profit sharing until the project is complete.

Note 21 c) Factor finance

The Group has entered into a credit facility agreement with a local bank. Under the facility, the Group will be able discounted its invoices for a maximum of 150 days by transferring the approved customer's invoice payment to local bank. Maximum loan amount will be 90% of the invoice value. The bills discounted are against personal guarantee of the shareholders, corporate guarantee. Further, the credit facilities are also secured by certain guarantee cheques, letters of assignment agreement.

Note 21 d) Projects finance

The Group obtained facilities with a local bank to finance its existing project from the progress payments to be paid by customers for that project. The facilities are secured by corporate and personal guarantees of the subsidiary and assignment of contract payments from the customer to route all contract proceeds with the bank. These facilities bear interest rate of minimum 4.5%.

Note 21 e) Murabaha

Murabaha represent facilities obtained from a local Islamic bank for the purchase of materials and issuing letters of credit to suppliers. These loans bear an average profit rate of 4.5% to 6.5% annually and have maturities ranging from 270 to 360 days.

22. TRADE AND OTHER PAYABLES:

	December 31,	
	2022	2021
	QAR	QAR
Accounts payable	803,344,552	437,779,365
Accrued expenses	502,955,939	214,037,935
Advances from customers	219,293,131	157,095,037
Notes payable	175,465,358	26,194,266
Provision for foreseeable losses	56,406,505	52,127,321
Retentions payables	27,666,801	22,369,794
Provisions for leave salary and air ticket	24,542,747	5,850,569
Provision for maintenance cost	18,896,355	14,246,965
Social and sport funds contribution (Note 22.1)	8,126,193	-
Due to staff	1,821,583	1,414,582
Other payables	164,431,145	170,771,486
Total	2,002,950,309	1,101,887,320

22.1 Social and sports fund contribution

Pursuant to the requirements of Law No.13 of 2008, the Group recognizes provision for the support of sports, social, cultural and charitable activities equal to 2.5% of the consolidated net profit attributable to the shareholders of the Company. The Group transferred from its retained earnings and accrued as at December 31, 2022 an amount of QAR 8,126,193.

23. REVENUE:

	Period from November 03, 2020 (Inception Date) to December 31,	
	Year ended December 31, 2022	2021
	QAR	QAR
Revenue from contract with customer (Note 23 a)	4,230,524,379	3,202,255,503
Rental income from investment property	6,497,352	2,379,796
Total	4,237,021,731	3,204,635,299

23 a) Following sub notes illustrates the disaggregation of disclosure by timing of revenue recognitions, type of customers and primary geographical markets of the Groups revenue for the year ended December 31, 2022:

	Year ended December 31, 2022
	QAR
i) Timing of revenue recognitions	
Product transferred at a point in time	1,024,705,259
Product transferred over the time	3,205,819,120
Total revenue	4,230,524,379
ii) Type of customers	
External parties	1,909,072,172
Related parties	2,321,452,207
Total revenue	4,230,524,379
iii) Revenue by primary geographical markets	
Local operations	4,205,903,577
Foreign operations	24,620,802
Total revenue	4,230,524,379

24. COST OF OPERATIONS:

	Period from November 03, 2020 (Inception Date) to December 31,	
	Year ended December 31, 2022	2021
	QAR	QAR
Direct materials	1,281,372,359	1,113,239,380
Salaries and other benefits to employees	1,085,157,774	803,961,675
Subcontractor costs	345,067,648	295,276,108
Depreciation of property, plant and equipment (Note 6)	85,085,785	32,411,143
Transportation chargers	84,527,609	54,859,742
Site overhead cost	77,060,849	-
Rent expenses	38,597,813	9,445,693
Repairs and maintenance expenses	33,067,137	4,300,445
Government expenses	21,323,845	-
Machinery hiring chargers	21,579,803	-
Professional fees	5,680,853	383,351
Depreciation of right-to-use assets (Note 9)	2,561,871	4,044,664
Amortization of intangible assets (Note 8)	423,668	543,314
Depreciation of investment properties (Note 7)	-	22,466,667
Other direct costs	535,562,142	370,796,254
Total	3,617,069,156	2,711,728,436

25. GENERAL AND ADMINISTRATIVE EXPENSES:

	Period from November 03, 2020 (Inception Date) to December 31,	
	Year ended December 31, 2022	2021
	QAR	QAR
Salaries and other benefits to employees	119,517,250	118,123,241
Group shared expenses	31,018,218	-
Professional and shared services expenses	23,240,273	4,062,360
Depreciation of right-of-use assets (Note 9)	19,786,119	9,960,892
Depreciation of property, plant and equipment (Note 6)	12,727,154	7,649,745
Marketing and development expenses	12,578,732	-
Provision for slow moving inventories (Note 12)	2,426,080	13,595,822
Repair and maintenance	4,753,762	29,420,183
Utilities expenses	2,395,888	-
Rent expenses	2,922,960	-
Loss on disposal of property, plant and equipment	2,105,018	-
Amortization of intangible assets (Note 8)	1,222,320	971,364
Bank commission and charges	1,087,501	676,745
Communication charges	494,985	626,938
Miscellaneous expenses	20,037,311	24,894,809
Total	256,313,571	209,982,099

26. IMPAIRMENT PROVISION FOR FINANCIAL ASSETS:

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
Impairment provision for accounts receivables (Note 14 b)	11,586,718	1,168,889
Impairment provision for other receivables (Note 14 d)	8,288,828	-
Impairment provision for advance paid to suppliers (Note 14 c)	1,243,216	-
Impairment provision for retention receivables (Note 10 b)	423,518	-
Impairment provision for due from related parties (Note 15 b)	354,621	-
Total	21,896,901	1,168,889

27. BASIC AND DILUTED EARNINGS PER SHARE:

The calculation of basic earnings per share ("EPS") is arrived by dividing the profit attributable to the shareholders of the Parent Company for the year/ period by the weighted average number of ordinary shares outstanding during the year/ period.

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
Profit for the year/ period attributable to shareholders of the parent (QAR)	338,178,389	321,933,023
Weighted average number of shares outstanding during the year/ period *	3,174,366,267	2,574,037,500
Basic earnings per share (Qatari Riyals per share)	0.107	0.125

* The weighted average number of shares outstanding as at December 31, 2021 has been adjusted retroactively to reflect the legal capital of the accounting acquirer in accordance with IFRS 3, para B21.

The weighted average number of ordinary shares outstanding for the year/ period ended December 31, 2022 and 2021 was adjusted for the reverse acquisition treatment as per IFRS 3 "Business Combinations".

28. COMMITMENTS AND CONTINGENCIES:

There are no material commitments and contingencies existing as of the reporting date, except for the following:

	December 31,	
	2022 QAR	2021 QAR
Performance guarantees	140,794,225	-
Corporate guarantees	284,234,270	-
Bank guarantees	81,814,484	179,084,514
Letter of guarantees	140,014,578	121,627,321
Letter of credits	54,006,421	67,387,942
Performance bonds	68,787,848	41,126,585
Advance payment guarantees	46,953,346	-
Security cheque	28,394,943	120,000
Tender bonds	29,539,286	18,153,160
Retention bond	150,000	-
Tender guarantees	110,000	-
Contingent commercial loans	-	239,207,162

29. FINANCIAL RISK MANAGEMENT:

The Group has exposure to the following risks arising from financial instruments:

- 29 a) Credit risk
- 29 b) Liquidity risk
- 29 c) Market risk
- 29 d) Interest rate risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements. Management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analysed the risks faced by the Group and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

29 a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The carrying amount of financial assets represents the maximum credit exposure.

The tables below detail the gross maximum exposure to credit risk of the Group's financial assets:

	December 31,	
	2022 QAR	2021 QAR
Trade and other receivables (except non-financial assets)	1,214,183,029	862,791,487
Due from related parties	490,804,199	475,810,381
Contract assets	951,742,831	385,579,602
Retention receivables	135,892,594	57,102,293
Cash at banks	165,635,319	37,887,582
Total	2,958,257,972	1,819,171,345

The Group limits its exposure to credit risk from trade receivables by:

- i) Evaluating the creditworthiness of each counter-party prior to entering into contracts;
- ii) Establishing sale limits for each customer, which are reviewed regularly;
- iii) Establishing maximum payment periods for each customer, which are reviewed regularly; and
- iv) Periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

Measurement of ECLs

The table in note 14 a) to the consolidated financial statements provides information about exposure to credit risk and ECL for trade and other debit balances as at December 31, 2022 and December 31, 2021.

Cash at banks

The Group's cash at bank is held with banks that are independently rated by credit rating agencies.

	December 31,	
	2022 QAR	2021 QAR
Cash at banks	165,635,319	37,887,582

The Group's bank deposits are held with credit worthy and reputable banks with high credit ratings. As a result, management believes that credit risk in respect of these balances is immaterial.

29. FINANCIAL RISK MANAGEMENT (CONTINUED):**29 b) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date.

December 31, 2022

	Contractual cash flows		
	Gross carrying amount	Within one year	1-5 years
	QAR	QAR	QAR
Non-derivative financial liabilities			
Bank overdrafts	216,009,542	216,009,542	-
Loans and borrowings	1,587,401,534	671,620,032	915,781,502
Lease liabilities	94,030,092	24,655,280	69,374,812
Loan from a related party	28,783,355	-	28,783,355
Due to related parties	110,125,451	110,125,451	-
Retention payables	28,994,793	27,666,801	1,327,992
Trade and other payables	1,975,283,508	1,975,283,508	-
Total	4,040,628,275	2,659,113,904	850,881,114

December 31, 2021

	Contractual cash flows		
	Gross carrying amount	Within one year	1-5 years
	QAR	QAR	QAR
Non-derivative financial liabilities			
Bank overdrafts	199,473,655	199,473,655	-
Loans and borrowings	727,938,792	391,771,975	336,166,817
Lease liabilities	20,565,598	2,131,962	18,433,636
Loan from a related party	27,829,521	-	27,829,521
Due to related parties	93,035,002	93,035,002	-
Retention payables	52,127,321	52,127,321	-
Trade and other payables	922,422,489	922,422,489	-
Total	2,143,285,183	1,788,684,730	354,600,453

29 c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

29 d) Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

The Group is exposed to interest rate risk mainly on bank borrowing and overdrafts. A 1% increase or decrease is used when reporting interest rate risk to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If the interest rates had been 1% higher/lower and all other variables were held constant, the Group's net income would be impacted as follows:

	December 31,	
	2022 QAR	2021 QAR
Bank overdrafts	216,009,542	199,473,655
Term loans (Note 21 a)	1,066,611,212	419,672,804
Demand loans (Note 21 b)	78,577,889	154,121,330
Factor finance (Note 21 c)	91,897,053	109,771,902
Projects finance (Note 21 d)	197,723,384	25,469,798
Murabaha loans (Note 21 e)	152,591,996	18,902,958
Total bank exposure subject to interest rate risk	1,590,026,978	927,412,447
1% increase/ decrease effect on net income	15,900,270	9,274,124

30. CAPITAL RISK MANAGEMENT:

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of invested capital. The capital structure of the Group consists of equity, comprising share capital, reserves and retained earnings.

31. EVENTS AFTER THE REPORTING PERIOD:

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the consolidated financial statements.

32. FAIR VALUES OF FINANCIAL INSTRUMENTS:

Financial instruments include financial assets and liabilities.

Financial assets consist of amounts due from related parties, retention receivables, contract assets, bank balances and cash, trade receivable and other debit balances. Financial liabilities consist of amounts due to related parties, trade payable and other credit balances, retention payables, lease liabilities and interest-bearing loans borrowings.

The fair values of financial instruments are not materially different from their carrying values except for the following:

	December 31,			
	2022		2021	
	Carrying value QAR	Fair value QAR	Carrying value QAR	Fair value QAR
Accounts receivables and notes receivables	937,209,153	794,154,889	687,064,156	570,131,218
Retention receivables	141,467,548	138,986,113	57,773,921	57,102,293
Other receivables	64,085,618	55,796,790	23,674,406	23,674,406
Due from related parties	491,759,095	490,804,199	475,810,381	475,810,381

33. LEGAL CASES:**33.1. Debbas Enterprises Qatar W.L.L.**

- A.** Prior to the reverse-acquisition, one of the Group's subsidiaries, Debbas Enterprises Qatar W.L.L. has entered into a Joint Venture (EDJV) (ETA Star Engineering and Contracting W.L.L. (Under liquidation) / Debbas Enterprises Qatar W.L.L.) in February 2011 to carry out the electromechanical works of Doha Exhibition and Convention Center for the main contractor Midmac Contracting / Six Construct JV (SMJV), with a total contract value of QAR 430,000,000 to be executed within 22 months.
- B.** EDJV has obtained credit facility from a local bank in 2011 to finance this project and the total outstanding balance including accrued interest as of December 31, 2020 amounted to QAR 152,696,565 (2019: QAR 148,463,224), of which the Group's share is QAR 76,048,233 (2019: QAR 74,231,611). The Group and other related parties have provided corporate and personal guarantees to Ahli Bank against the credit facilities as following:
- Personal guarantee from previous IHG's chairman amounting to QAR 43,000,000.
 - Corporate guarantee from Debbas Enterprises – Qatar, W.L.L amounting to QAR 276,000,000.
 - Corporate guarantee from Debbas Holding SAL amounting to QAR 276,000,000.
 - Corporate guarantee from ETA Star Engineering and Trading – W.L.L (Under liquidation) amounting to QAR 233,000,000.

Additionally, the founders' committee of IHG has given an undertaking letter to personally guarantee to pay the recognized cumulative revenue to December 31, 2016 from the unapproved variation orders amounting to QAR 77,775,000 and a written commitment from Debbas Holding – S.A.L against their portion of the bank debt.

- C.** Ahli Bank filed a lawsuit No. 2926/2018 against "KJV" (ETA Star Engineering and Contracting W.L.L. (Under liquidation) and Debbas Enterprise Qatar W.L.L. the "Company") the joint operation, and other requesting to pay an amount of QAR. 178,529,133 plus accrued interest to cover the outstanding loan balance that was obtained from Ahli bank to finance project construction works.
- D.** Accordingly the joint Operation (EDJV) filed a lawsuit No. 568/2018 against SMJV and Qatari Diar "the client" requesting them to pay an amount of QAR 625,861,657 being the remaining costs of the original contract, the additional works carried out based on the site instructions, extensions of time, and compensation for the opportunity costs.
- E.** On March 21, 2019, the Court of First Instance decided to combine the two cases, case numbers 568/18 and 2926/18. Subsequently, on April 30, 2019, the Court decided to delegate the case to a panel of experts.
- F.** On September 29, 2022 the Court resolved that ETA Debbas JV should pay Ahli Bank QAR 156,045,152 against the amount outstanding on loans and bank facilities, which includes outstanding principal interest on those facilities. In addition, the Court rules that Six Construct & Midmac JV (SMJV) should pay to ETA Debbas JV QAR 63,096,261 against all outstanding balances and performance bond of QAR 43,000,000 should be returned to the Bank.

The Joint Operation submitted an appeal against the first instance judgment as there are grounds for. Further, the credit facility was obtained against the provision of corporate and personal guarantees which are sufficient to offset any material shortfall that may arise from the above lawsuits which would require disclosures or additional provisions in the consolidated financial statements as of December 31, 2022 and December 31, 2021.

33. LEGAL CASES:**33.2. Other litigations****Commercial Bank against Investment Holding Group (IHG)**

On January 4, 2017, Investment Holding Group (IHG) signed an agreement with Commercial Bank whereby the Bank provides the service of receiving the applications of its Initial Public Offering for listing in Qatar Financial Markets Authority. The Company fulfilled all its obligations and settled all the payments required by the bank at that time.

On August 14, 2017, Qatar Stock Exchange issued a letter to Commercial Bank demanding to pay an invoice of QAR 825,000. The Bank required the Company to pay the invoice, claiming that it is for marketing services performed by the Bank to the IHG although there is no agreement between the Company and the Bank to provide such services. After which, Commercial Bank filed a lawsuit No 2339/2019 against the Company in front of the Court of First Instance – fourth division.

On December 17, 2019, the court issued an order of dismissal and obliged the Commercial Bank (plaintiff) to cover the expenses. Commercial Bank has appealed the aforementioned decision before the Court of Appeal No. 26/2020 and the lawsuit is still ongoing.

Dukhan Bank against IHG and other defendants

IHG (the Company) signed with International Bank Qatar (currently Dukhan Bank) in December 2012 a banking facility agreement and it was agreed upon in accordance with the aforementioned agreement between the bank and the Company and a list of subsidiary companies that were specified in a separate annex to grant the Company and some subsidiary companies, including Falcon Ready Mix Concrete Company, banking facilities. Falcon used an amount of QAR 12,550,994 and stopped paying.

The bank filed a lawsuit against IHG and Falcon Ready Mix Concrete before the Civil Court of First Instance with the number 3110/2020 claiming for the amount due on Falcon despite its issuance of a letter on July 25, 2017 confirming that the bank took note of the change in the legal form of IHG and the amendment of the list of binding subsidiaries.

In addition Falcon was sold, and the two purchasing companies committed to bear the debt claimed by the bank and the lawsuit is still ongoing.

Said Siyam against IHG and other defendants

IHG (the Company) was a partner in Trelco Marine WLL and sold its shares to Al Hodeifi Group in 2014. The Plaintiff filed a lawsuit against IHG and Al Hodeifi Group and heirs of Ghanim Al Hodeifi claiming for annulment of the Shares Purchase Agreement. The case was dismissed on April 19, 2022 and the plaintiff filed the appeal No 1232/2022 which is still ongoing.

Emad Krayem against Estithmar Holding and other defendants

Emad Krayem was the General Manager of Elegancia Gabro, he claimed wrongly to be a partner and filed the lawsuit No 313/2022 to demand for profits amounting to QAR 1,950,000. The lawsuit is still ongoing.

34. COMPARATIVE FIGURES:

Certain comparative figures in respect of the period ended December 31, 2021 have been reclassified in accordance with International Financial Reporting Standards (IFRS) to reflect a "reverse acquisition" in order to conform with the presentation of the consolidated financial statements for the year ended December 31, 2022. Such reclassifications did not have any effect on the net profit and equity of the comparative period.

35. IMPACT OF COVID-19:

COVID-19 was declared a pandemic by WHO (World Health Organization) and is causing disruptions to business and economic activities across various geographies globally. The local government system in Qatar has announced various measures to support businesses to mitigate possible adverse impact due to the pandemic. The Group continues to monitor the situation and the Group's management have taken measures to continue the operations with minimal disruptions and also have risk management plans in place to manage potential disruptions in the future.

The Group's management have revisited its judgements, estimates and risk management objectives and have considered the potential impacts of the current volatility in determining the reported amounts of the Group's financial and non-financial assets as at December 31, 2022.

36. BUSINESS COMBINATION:

On April 12, 2022 the Company obtained Qatar Financial Markets Authority (QFMA) approval on reverse acquisition transaction, the transaction was executed by issuing 2,574,037,500 newly issued shares of "Estithmar Holding" by QAR 1 in share swap transaction as each Elegancia Group shareholder will get worth of share equal to 3.10125 for each share of Estithmar.

36 a) Reverse acquisition transition

Reverse acquisition sometimes occur when a private operating entity wants to become a public entity but does not want to register its equity shares. The private entity will arrange for a public entity to acquire its equity interests in exchange for the equity interest of the public entity. Although the public entity is the legal acquirer because it issued its equity interests, and the private entity is the legal acquiree because its equity interests were acquired, application of the guidance results in identifying: (IFRS 3.B19)

- i. The public entity as the acquiree for accounting purposes (the accounting acquiree); and
- ii. The private entity as the acquirer for accounting purposes (the accounting acquirer).

The overall effect is that the consolidated financial statements are prepared from the legal subsidiary perspective rather than the legal parent, and in summary this means:

- The result for the period and consolidated cumulative retained earnings are those of the Elegancia Group plus the post-acquisition results of the Company and its subsidiaries;
- The share capital is that of the Company and the Comparative information presented in the Group's consolidated financial statements is retroactively adjusted to reflect the legal capital of the Company;
- Goodwill arises on the reverse acquisition when comparing the consideration of the Company acquiring the shares of Elegancia Group;
- A goodwill on reverse acquisition amounting to QAR 3,240,035,090 has been identified; and
- The Group incurred share issue costs of QAR 19,454,687 in respect of the fund raising in relation to the reverse acquisition.

36 b) In a reversal acquisition in which acquirer and the acquiree exchange only equity interests, the acquisition date fair value of the legal acquirer equity interests is the most reliable measure to determine the amount of goodwill according to IFRS 3 para 33. As a result the group has used the market price of Estithmar Holding at the acquisition date of QAR 2.572 that results in total goodwill amounting to QAR 3,240,035,090 comprises of goodwill on reverse acquisition transaction amounting to QAR 1,980,757,590 and an internally generated goodwill in the Company's books of accounts amounting to QAR 1,259,277,500.

36. BUSINESS COMBINATION (CONTINUED):

36 c) The share capital of the Company was determined to be QAR 3,404,037,500 to reflect its value as per evaluation and not as per book value of partners' equity as of reversal acquisition date, due to legal considerations represented by determining the Company's share capital at QAR 3,404,037,500 by H.E the Minister of Commerce and Industry and consequent approvals by the Ministry of Commerce and Industry, Qatar Financial Markets Authority (QFMA) and Qatar Stock Exchange on the share capital of the reverse acquisition transaction in which the Prospectus took a similar approach. Therefore, the shareholders approved the same in their Constituent General Assembly. As a result of all these, it became inevitable for the management to recognize an internally generated goodwill in the Company's books of accounts amounting to QAR 1,259,277,500.

36 d) Management impairment assessment on Goodwill

Goodwill acquired in a business combination is allocated to each of the acquirer's CGUs or a group of CGUs that is expected to benefit from the synergies of the combination, management is undergoing the reorganization of the current operating segment's structure post-acquisition and there is expected to be a change in the composition of the segments and the CGUs, accordingly, the goodwill amounted to QAR 3,240,035,090 cannot be reliably allocated to the CGUs as of December 31, 2022. Given that this is the initial year of the business combination during which IFRS allow for a provisional calculation, management has hired an independent third party consultant to perform the impairment test for the goodwill as at December 31, 2022 at the lowest level possible.

The recoverable amount of the CGU was determined based on fair value less cost of disposal calculated using the CGU's share market price as of December 31, 2022. The fair value less cost of disposal of the CGU is significantly higher than the carrying value of the CGU, therefore it is assumed to be the recoverable amount, and thus no impairment exists.

37. OPERATING SEGMENTS:

Information reported for the purpose of resource allocation and assessment of segment performance focuses on the types of services being provided. The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The Group's have recognized five reportable segments which are corporate, contracting and industries, services, healthcare and ventures.

Management monitors the operating results of the operating segments to make decision about resource allocation and performance measurements. Segment performance is evaluated based on operating profit or loss and measured consistently with operating profit or loss in the consolidated financial statements.

The following table summarizes the performance of the operating segments in the Group for the year ended December 31, 2022 and 2021:

December 31, 2022	Corporate QAR	Contracting and Industries QAR	Services QAR	Healthcare QAR	Ventures QAR	Eliminations and adjustments QAR	Total QAR
Revenue							
External customers	-	570,758,190	1,215,481,541	37,099,987	85,732,454	-	1,909,072,172
Inter-segment	-	1,813,716,825	1,077,878,317	-	18,148,927	(588,291,862)	2,321,452,207
Rental income	-	1,890,970	6,911,110	-	-	(2,304,728)	6,497,352
Total revenue	-	2,386,365,985	2,300,270,968	37,099,987	103,881,381	(590,596,590)	4,237,021,731
Segment profit	62,648,504	93,535,949	284,098,900	2,743,708	15,569,454	(133,548,801)	325,047,714
Income/ (expenses)							
Other income	184,282,445	10,663,709	3,891,888	-	40,000,000	(181,836,515)	57,001,527
Direct costs	-	(2,188,763,177)	(1,867,746,297)	(28,714,402)	(100,605,653)	568,760,373	(3,617,069,156)
General and administrative exp	(113,167,777)	(94,857,400)	(111,165,862)	(4,263,946)	(21,090,527)	66,335,040	(278,210,472)
Management fee	-	-	-	-	(1,007,453)	(1,331,262)	(2,338,715)
Total assets	4,944,139,520	2,551,347,125	2,041,807,493	278,322,865	1,232,925,240	(2,319,996,422)	8,728,545,821
Total liabilities	1,255,846,838	1,889,218,390	1,396,978,316	155,357,396	1,216,672,262	(1,645,154,071)	4,268,919,131

37. OPERATING SEGMENTS (CONTINUED):

December 31, 2021	Contracting and Industries QAR	Services QAR	Healthcare QAR	Ventures QAR	Eliminations and adjustments QAR	Total QAR
Revenue						
External customers	212,130,035	990,724,025	2,379,796	-	-	1,205,233,856
Inter-segment	1,372,511,243	793,303,144	-	-	(166,412,944)	1,999,401,443
Total revenue	1,584,641,278	1,784,027,169	2,379,796	-	(166,412,944)	3,204,635,299
Segment profit/ (loss)	34,418,782	306,864,473	220,398	(550)	(15,943,696)	325,559,407
Income/ (expenses)						
Other income	6,722,470	81,108,070	-	-	-	87,830,540
Direct costs	(1,479,673,228)	(1,265,234,075)	(2,159,398)	-	35,338,265	(2,711,728,436)
General and administrative expenses	(57,378,759)	(138,816,337)	-	(550)	(13,786,453)	(209,982,099)
Total assets	1,769,559,626	1,668,732,329	31,611,116	1,143,675	(327,174,424)	3,142,872,322
Total liabilities	1,350,789,920	1,240,316,000	9,905,286	944,226	(226,721,573)	2,375,233,858



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