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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2022
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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taking you further

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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.

Key audit matters (Continued)

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
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. **Annual impairment assessment of goodwill was a significant risk due to the following:** • 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.	Our audit procedures focused on assessing the reasonableness of key assumptions used by management in conducting the impairment assessment. **These procedures included:** • 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.

Key audit matters (Continued)

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
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. **Revenue was a key audit matter due to the following:** • 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.	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. **These procedures included:** • 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.

Key audit matters (Continued)

Impairment allowance for accounts receivable
Refer note 14 to the consolidated financial statements:

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
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.	Our audit procedures focused on assessing the reasonableness of key assumptions used by management in conducting the impairment allowance for accounts receivable.
The impairment allowance for accounts receivable of the Group was a significant risk due to the following:	**These procedures included:**
• 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.	• 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.

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

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.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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

Russell Bedford & Partners Certified Public Accountants
Russell Bedford taking you further
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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

	Notes	December 31, 2022 QAR	December 31, 2021 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 Khayyat
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.

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Certified Public Accountants
FOR IDENTIFICATION PURPOSES ONLY
C.R. No.: 143001 | Doha - State of Qatar
رسل بدفورد وشركاه

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	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 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.

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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

		Equity attributable to owners' of the company							
	Notes	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.

Russell Bedford & Partners Certified Public Accountants FOR IDENTIFICATION PURPOSES ONLY C.R. No.: 143061 I Doha - State of Qatar رسل بدفورد وشركاه

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

	Notes	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
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.

Russell Bedford & Partners Certified Public Accountants FOR IDENTIFICATION PURPOSES ONLY Doha - State of Qatar

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%

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%
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%

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
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%
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%

1. GENERAL INFORMATION (CONTINUED):

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	95%	95%
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%	–
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%	–

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			DECEMBER 31, 2022	DECEMBER 31, 2021
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%	-

1. GENERAL INFORMATION (CONTINUED):

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).

2. BASIS OF PREPARATION (CONTINUED):

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 d) Basis of consolidation (Continued):

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 is 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 e) Property, plant and equipment (Continued):

iv) Depreciation

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 h) Investment property:
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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 i) Financial instruments (Continued):

ii) Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)
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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 i) Financial instruments (Continued):

iii) Impairment of financial instruments (Continued)

Financial assets measured at amortized cost (Continued)
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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 m) Leases (Continued):

The Group as a lessee (Continued)
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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4 r) Revenue recognition (Continued):

Revenue from contracts with customers (Continued)

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.
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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Lease period (Continued)
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.

5. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED):

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

	Carrying values on business combination
	QAR
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	**488,866,783**
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.

6. PROPERTY, PLANT AND EQUIPMENT:

	Building improvements	Furniture and fixtures	Machinery and equipment	Office equipment	Tools	Motor vehicles	Scaffolding	Fleet craft	Crafts Small boats
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Cost:									
Balance as at January 01, 2022	194,003,303	19,750,015	98,604,677	5,732,849	3,696,182	112,099,526	393,249	165,577,483	375,000
Acquisition through business combination	8,333,683	4,815,709	384,146	6,586,554	9,566,501	14,511,605	-	-	-
Additions during the year	1,603,808	12,586,723	169,110,594	1,229,218	550,157	21,368,421	-	-	-
Transfers during the year	445,523,908	-	-	-	-	-	-	-	-
Disposals/ write off	-	(2,005,965)	(2,403,886)	(41,364)	(29,448)	(1,718,797)	-	-	-
Balance as at December 31, 2022	**649,464,702**	**35,146,482**	**265,695,531**	**13,507,257**	**13,783,392**	**146,260,755**	**393,249**	**165,577,483**	**375,000**
Accumulated depreciation:									
Balance as at January 01, 2022	38,388,253	16,312,620	67,029,141	4,637,316	3,586,659	92,896,981	393,248	66,835,335	375,000
Acquisition through business combination	3,421,897	3,717,490	392,500	5,834,541	8,839,788	13,592,083	-	-	-
Charge during the period	45,684,640	2,527,510	14,216,473	345,195	279,217	7,729,566	1	5,774,322	
Disposals/ write off	-	(988,657)	(1,446,733)	(37,486)	(29,448)	(1,430,911)	-	-	-
Balance as at December 31, 2022	**87,494,790**	**21,568,963**	**80,191,381**	**10,779,566**	**12,676,216**	**112,787,719**	**393,249**	**72,609,657**	**375,000**
Net book value:									
At December 31, 2022	**561,969,912**	**13,577,519**	**185,504,150**	**2,727,691**	**1,107,176**	**33,473,036**	**-**	**92,967,826**	**-**

	Computer equipment	Vessel equipment	Dry docking	Plant	Tents and shades	IT equipment	Electric equipment	Leasehold improvements	Capital work in progress	Total
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Cost:										
Balance as at January 01, 2022	10,615,565	579,352	16,589,062	29,711,687	4,884,203	4,838,203	1,009,945	-	474,738,387	1,143,198,688
Acquisition through business combination	4,017,065	-	-	-	-	-	1,001,309	11,409,857	-	60,626,429
Additions during the year	8,889,055	-	5,501,277	962,284	9,450	553,153	95,564	853,296,103	185,111,003	1,260,866,810
Transfers during the year	543,801	-	-	(4,330)	-	-	-	-	(446,063,379)	-
Disposals/ write off	(15,710)	-	-	(5,233,601)	(1,864,331)	(845,847)	(29,879)	(617,928)		(14,806,756)
Balance as at December 31, 2022	**24,049,776**	**579,352**	**22,090,339**	**25,436,040**	**3,029,322**	**4,545,509**	**2,076,939**	**864,088,032**	**213,786,011**	**2,449,885,171**
Accumulated depreciation:										
Balance as at January 01, 2022	5,525,882	564,497	13,647,517	22,818,238	3,674,619	3,591,445	168,102	-	-	340,444,853
Acquisition through business combination	3,886,540	-	-	-	-	-	868,019	6,845,701	-	47,398,559
Charge during the period	2,408,601		3,696,458	3,029,239	422,666	729,572	247,889	10,721,590	-	97,812,939
Disposals/ write off	(11,121)	-	-	(4,891,493)	(1,430,801)	(842,156)	(29,868)	(53,817)	-	(11,102,491)
Balance as at December 31, 2022	**11,809,902**	**564,497**	**17,343,975**	**20,955,984**	**2,666,484**	**3,478,861**	**1,254,142**	**17,513,474**	**-**	**474,463,860**
Net book value:										
At December 31, 2022	**12,239,874**	**14,855**	**4,746,364**	**4,480,056**	**362,838**	**1,066,648**	**822,797**	**846,574,558**	**213,786,011**	**1,975,421,311**

	Building improvements	Furniture and fixture	Machinery and equipment	Office equipment	Tools	Motor vehicles	Scaffolding	Fleet craft	Crafts Small boats
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Cost:									
Transfer resulting from the business combination	179,477,373	18,390,146	93,659,097	5,096,876	3,681,682	97,928,539	393,249	165,577,483	2,115,108
Additions during the period	13,723,326	1,222,955	2,314,124	857,193	14,500	15,640,165	-	-	-
Transfers during the period	802,604	212,345	2,712,301	-	-	-	-	-	-
Transfer to related parties	-	-	197,055	-	-	(243,013)	-	-	-
Disposals/ write off	-	(75,431)	(277,900)	(221,220)	-	(1,226,165)	-	-	(1,740,108)
Balance at December 31, 2021	**194,003,303**	**19,750,015**	**98,604,677**	**5,732,849**	**3,696,182**	**112,099,526**	**393,249**	**165,577,483**	**375,000**
Accumulated depreciation:									
Transfer resulting from the business combination	29,184,471	14,471,673	56,444,339	4,190,188	3,413,584	90,594,536	386,727	61,061,013	2,115,108
Charge during the period	9,203,782	1,918,727	10,868,066	668,331	173,075	3,559,442	6,521	5,774,322	-
Transfers	-	-	(5,364)	-	-	(243,013)	-	-	-
Disposals/ write off	-	(77,780)	(277,900)	(221,203)	-	(1,013,984)	-	-	(1,740,108)
Balance at December 31, 2021	**38,388,253**	**16,312,620**	**67,029,141**	**4,637,316**	**3,586,659**	**92,896,981**	**393,248**	**66,835,335**	**375,000**
Net book value:									
At December 31, 2021	**155,615,050**	**3,437,395**	**31,575,536**	**1,095,533**	**109,523**	**19,202,545**	**1**	**98,742,148**	**-**
Depreciation rates	5% - 20%	20% - 33.33%	15% - 33.33%	20% - 33.33%	33.33 - 50%	20% - 33.33%	20% - 50%	4% - 10%	15% - 20%

	Computer equipment	Vessel equipment	Dry docking	Plant	Tents and shades	IT equipment	Electric equipment	Leasehold improvements	Capital work in progress	Total
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Cost:										
Transfer resulting from the business combination	5,970,613	501,052	15,469,482	27,372,480	4,809,203	3,927,840	550,462	-	347,846,616	972,767,301
Additions during the period	1,138,920	91,900	1,119,580	2,339,207	75,000	937,270	459,483	-	137,414,040	177,347,663
Transfers during the period	3,527,087	-	-	-	-	-	-	-	(6,795,778)	458,559
Transfer to related parties	(21,055)	-	-	-	-	(26,907)	-	-	(3,724,142)	(3,818,062)
Disposals/ write off	-	(13,600)	-	-	-	-	-	-	(2,349)	(3,556,773)
Balance at December 31, 2021	**10,615,565**	**579,352**	**16,589,062**	**29,711,687**	**4,884,203**	**4,838,203**	**1,009,945**	**-**	**474,738,387**	**1,143,198,688**
Accumulated depreciation:										
Transfer resulting from the business combination	4,578,961	493,314	9,804,852	19,323,404	3,268,469	2,905,802	57,683	-	-	302,294,124
Charge during the period	946,921	84,783	3,842,665	3,494,834	406,150	701,069	110,419	-	-	41,759,107
Transfers	-	-	-	-	-	(15,426)	-	-	-	(263,803)
Disposals/ write off	-	(13,600)	-	-	-	-	-	-	-	(3,344,575)
Balance at December 31, 2021	**5,525,882**	**564,497**	**13,647,517**	**22,818,238**	**3,674,619**	**3,591,445**	**168,102**	**-**	**-**	**340,444,853**
Net book value:										
At December 31, 2021	**5,089,683**	**14,855**	**2,941,545**	**6,893,449**	**1,209,584**	**1,246,758**	**841,843**	**-**	**474,738,387**	**802,753,835**
Depreciation rates	25% - 50%	20% -33.33%	33.33% - 50%	20% - 33.33%	20%	20% - 33.33%	20% - 33.33%	10% - 20%	-	

6 a) Depreciation charge for the year/ period was presented in the consolidated financial statements as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
	QAR	QAR
Cost of operations (Note 24)	85,085,785	32,411,143
General and administrative expenses (Note 25)	12,727,154	7,649,745
Transferred	-	1,698,219
Total	**97,812,939**	**41,759,107**

7. INVESTMENT PROPERTY:

	2022 QAR	2021 QAR
Cost:		
Balance at the beginning of the year/ period	256,419,541	-
Transfer resulting from the business combination	2,530,208	256,142,065
Addition during the year/ period	327,678	277,476
Balance at the end of the year/ period	**259,277,427**	**256,419,541**
Accumulated depreciation:		
Balance at the beginning of the year/ period	168,500,000	-
Transfer resulting from the business combination	-	146,033,333
Depreciation for the year (Note 24)	-	22,466,667
Balance at the end of the year/ period	**168,500,000**	**168,500,000**
Net book value:		
At the end of the year	**90,777,427**	**87,919,541**

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:

	Manufacturing license QAR	IT software QAR	Total QAR
Cost:			
Transfer resulting from the business combination	1,542,288	1,566,652	3,108,940
Additions during the period	-	6,045,650	6,045,650
Balance at December 31, 2021	**1,542,288**	**7,612,302**	**9,154,590**
Additions during the year	-	2,107,762	2,107,762
Balance at December 31, 2022	**1,542,288**	**9,720,064**	**11,262,352**
Accumulated amortization:			
Transfer resulting from the business combination	835,260	1,231,736	2,066,996
Amortization during the period	184,830	1,329,848	1,514,678
Balance at December 31, 2021	**1,020,090**	**2,561,584**	**3,581,674**
Amortization during the year	184,832	1,461,156	1,645,988
Balance at December 31, 2022	**1,204,922**	**4,022,740**	**5,227,662**
Carrying amounts:			
At December 31, 2021	522,198	5,050,718	5,572,916
At December 31, 2022	**337,366**	**5,697,324**	**6,034,690**

8. INTANGIBLE ASSETS (CONTINUED):

8 a) Amortization expenses for the year was presented in the consolidated financial statements as follows:

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 QAR
Cost of operations (Note 24)	423,668	543,314
General and administrative expenses (Note 25)	1,222,320	971,364
Total	**1,645,988**	**1,514,678**

9. LEASES:

	2022 QAR	2021 QAR
9 a) Right-of-use assets		
Balance at the beginning of the year/ period	27,951,550	-
Transfer resulting from the business combination	13,766,954	82,694,508
Additions during the year/ period	81,485,821	10,267,638
Modification to the lease contracts during the year/ period	455	(47,691,700)
Depreciation of right-of-use assets	(22,347,990)	(14,005,556)
Depreciation expenses transffered to a related party	(74,554)	-
Derecognition due to early termination of the lease contract	(1,856,182)	(3,313,340)
Balance at the end of the year/ period	**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:

	Year ended December 31, 2022 QAR	Period ended December 31, 2021 QAR
Cost of operations (Note 24)	2,561,871	4,044,664
General and administrative expenses (Note 25)	19,786,119	9,960,892
Depreciation expenses transffered to a related party	74,554	-
Total	**22,422,544**	**14,005,556**

	2022 QAR	2021 QAR
9 c) Lease liabilities		
Balance at the beginning of the year/ period	20,565,598	-
Transfer resulting from the business combination	17,061,064	72,667,214
Additions during the year/ period	81,486,276	10,267,638
Modification to a lease contract during the year/ period	-	(42,403,448)
Interest expense for the year/ period	2,710,702	2,512,434
Payments during the year/ period	(25,991,070)	(18,855,716)
Derecognition due to early termination of the lease contract	(1,802,478)	(3,622,524)
Balance at the end of the year/ period	**94,030,092**	**20,565,598**

	2022	2021
The lease liabilities are presented as follows:		
Non-current	69,374,812	18,433,636
Current	24,655,280	2,131,962
Total	**94,030,092**	**20,565,598**

9. LEASES (CONTINUED):

9 d) Interest expense on finance lease arrangements

	Year ended December 31, 2022	Period from November 03, 2020 (Inception Date) to December 31, 2021
	QAR	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	2021
	QAR	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.

10 b) Movement in impairment of retention receivables is presented as follows:	2022	2021
	QAR	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	2021
	QAR	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	December 31, 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
	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	December 31, 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	December 31, 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	December 31, 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):

	December 31, 2022 QAR	December 31, 2021 QAR
Net accounts receivables	***794,154,889***	***570,131,218***
Advances paid to suppliers (Note 14 c)	299,382,783	209,308,529
Accrued revenue	55,831,288	15,846,119
Prepayments	92,305,328	12,699,521
Refundable deposits	7,970,630	3,772,310
Due from staff	1,046,649	40,058,905
Other receivables (Note 14 d)	55,796,790	23,674,406
Total	**1,306,488,357**	**875,491,008**

14 a) The aging of the receivable is as follows:

	December 31, 2022 QAR	December 31, 2021 QAR
i) Aging of neither past due nor impaired		
Up to 90 days	**572,713,263**	**362,607,879**
ii) Aging of past due but not impaired		
91 - 180 days	62,374,070	-
Above 180 days	159,067,556	207,523,339
	221,441,626	**207,523,339**
iii) Aging of past due impaired		
Above 180 days	**143,054,264**	**116,932,938**
Total	**937,209,153**	**687,064,156**

14 b) Movement in allowance for impairment of receivables is presented as follows:

	2022 QAR	2021 QAR
Balance at the beginning of the period/ year	116,932,938	-
Transfer resulting from the business combination	15,609,076	115,764,049
Provision for impairment of receivables (Note 26)	11,586,718	1,168,889
Written off during the year/ period	(1,074,468)	-
Balance at the end of the year/ period	**143,054,264**	**116,932,938**

14 c) Advance paid to suppliers are presented as follows:

	December 31, 2022 QAR	December 31, 2021 QAR
Advance paid to suppliers	300,625,999	209,308,529
Less: provision for impairment of advance paid to suppliers (Note 26)	(1,243,216)	-
Net advance paid to suppliers	**299,382,783**	**209,308,529**

14 d) Other receivables are presented as follows:

	December 31, 2022 QAR	December 31, 2021 QAR
Other receivables	64,085,618	23,674,406
Less: provision for impairment of other receivables (Note 26)	(8,288,828)	-
Net other receivables	**55,796,790**	**23,674,406**

14. TRADE AND OTHER RECEIVABLES (CONTINUED):

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	December 31, 2022	December 31, 2021
	QAR	QAR
Shareholders;		
Mr. Moutaz Al Khayyat	4,259,643	2,180,920
Mr. Ramez Al Khayyat	7,393,110	1,457,108
Urbacon Trading and Contracting W.L.L.	219,226,692	269,744,270
Affiliates;		
UCC-Bahadir-Tedeschia Joint Venture	65,690,444	49,662,281
Aura Entertainment Services W.L.L.	29,347,757	737,632
REE Asyad JV	28,553,807	19,308,709
Golden Bay Contracting and trading W.L.L.	23,371,727	24,801,036
Infraroad Trading and Contracting Co. W.L.L.	14,675,267	23,565,831
Urbacon Workshop Department	14,052,894	-
Pentagram Design Trading and Contracting W.L.L.	13,111,423	10,926,078
Arab Builders Company W.L.L.	13,054,071	10,978,817
Servicom - W.L.L.	10,123,770	-
Assets Properties Management W.L.L.	8,648,078	1,643,865
UCC Acciona JV	7,810,683	4,796,535
Al-Khayyat Trading and Contracting Co. W.L.L.	6,908,926	5,381,104
UCC Promar JV	5,089,534	9,907,938
The Canteen W.L.L.	4,298,112	-
UCC Infraroad Yuksil JV	3,264,488	-
Al Hodaifi Group W.L.L.	2,490,299	-
Prolines - W.L.L.	1,412,411	-
Cuizina Aldoha Catering Services W.L.L.	1,263,619	-
Trelco Security Equipment Services W.L.L.	1,136,562	-
The Eight Hotel W.L.L.	974,536	-
Ithaafushi Maldives Projects	954,078	-
Syrian American Medical Centre	485,396	-
Profession Aluminum Co. W.L.L	472,905	202,874
Assets Hotels and Resort Management	467,513	-
Industrial Development Trading Company W.L.L.	436,400	-
Lusail Queen Yacht	407,863	-
UCC Promar Marine Contracting W.L.L.	320,296	7,335
Debbas Holding Co	320,093	-
Snathe Qatar - W.L.L.	308,651	-
ETA – PCS Switchgear L.L.C.	292,856	-
Urbacon Holding W.L.L.	199,698	2,799,851
Aura Hospitality W.L.L.	-	2,629,635
Elegancia Canteen	-	3,993,557
Subtotal carried forward	***490,823,602***	***444,725,376***

15. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED):

15 a) Due from related parties (Continued)

	December 31,	
	2022	2021
	QAR	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	2021
	QAR	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	2021
	QAR	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. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED):

15 c) Due to related parties

	December 31, 2022 QAR	December 31, 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	December 31, 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. CASH AND BANK BALANCES (CONTINUED):

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 QAR	December 31, 2021 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 QAR	December 31, 2021 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 QAR	December 31, 2021 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:

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 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:

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 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:

	Year ended December 31, 2022 QAR	Period from November 03, 2020 (Inception Date) to December 31, 2021 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	December 31, 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	2021
	QAR	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	2021
	QAR	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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED):

29 d) Interest rate risk (Continued)

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	2021
	QAR	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	Fair value	Carrying value	Fair value
	QAR	QAR	QAR	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 it's 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 acquirer 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	Contracting and Industries	Services	Healthcare	Ventures	Eliminations and adjustments	Total
	QAR	QAR	QAR	QAR	QAR	QAR	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	Services	Healthcare	Ventures	Eliminations and adjustments	Total
	QAR	QAR	QAR	QAR	QAR	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	**1,768,559,626**	**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**	**944,225**	**(226,721,573)**	**2,375,233,858**