

**Al Qudra Holding PJSC and  
its subsidiaries**

**REVIEW REPORT AND INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2021 (UNAUDITED)**

## Executive Summary

Al Qudra Holding PJSC Financials as at 30<sup>th</sup> June 2021

Al Qudra Holding continues to deliver good operational business results despite the profound effects of the pandemic, which continued throughout first half of 2021. Naturally, Al Qudra has also experienced the economic impacts of the pandemic but overall, our performance has been resilient due to business diversification across multiple sectors and our staff remained focused and busy on delivering support to our clients, partners and communities.

Moon Flower City in Musaffah is delivering solid financial support to our operation through its long-term lease contract of the City's residential buildings. The operation also delivers a basket of services to the city, which provides additional operational income to underpin a steady and strong cash flow to the company. We also completed the construction work of the hospital at Moon Flower City, which should be ready for leasing in the near future.

The Construction Workers Residential City re-entered the market after its operation froze last year due to the pandemic. Our rental revenues are expected to improve for the second half of the year onward.

Our projects' construction activities are progressing well. The Traditional Souq is on schedule and should be ready to receive tenants by year-end. As for our 5-star hotel Kasr Al Bahr in Rabat, we are anticipating for its soft opening by mid of next year. Our second economic hotel in Rabat is on schedule for its soft opening by end of this year and the construction activities of the Hospital in South Sudan that we are developing for Abu Dhabi Development Fund is on track.

Our subsidiaries continued to do well and our operations have expanded in the first half of the year to venture two new investments in the health care sector, the results of which will be tangible in the second half of the year.

For the first half of 2021, Al Qudra recorded consolidated revenues of AED 243 Million compared to AED 224 Million last June 2020 representing a 8.5% growth in revenues. This is due to additional streamline of revenues in 2021 resulting in operating profit before interest expenses of AED 113.9 Million compared to AED 107.4 Million last June, recording a 6% growth.

## **Executive Summary**

Al Qudra Holding PJSC Financials as at 30<sup>th</sup> June 2021 (continued)

The net profit for the first 6 months of operations was set at AED 62.8 Million shrinking by 9.1% compared to last year due to surging financial charge prior to restructuring company's loans. The benefits of restructuring our corporate loans will be tangible in future periods.

Our company's total assets grew to AED 7.7 Billion compared to AED 7.5 billion same period last year. This is mainly due to the increase in Trade receivables & investment properties. However, we maintained our total liabilities at the same level due to our applied strategy to reduce our liability as we grow our business assets.

The company's net worth grew to record AED 2,458 Million mainly due to capital increase and booking current period profit yielding a net book value of AED 2.84 per share. Our earnings per share attributed to the shareholders is set at 4.3 fills for the first half of the year.

I look forward to the second half of the year as we are committed to our company and will continue to work hard to deliver exceptional results to our shareholders.



**Michel Y Nassour**

**Chief Executive Officer**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF AL QUDRA HOLDING PJSC**

*Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Al Qudra Holding PJSC (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2021, comprising of the interim consolidated statement of financial position as at 30 June 2021, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

*Scope of review*

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

*Conclusion*

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

*Emphasis of matter*

We draw attention to note 7 (iii) (c) to the interim condensed consolidated financial statements, which indicates that the Group has a plot of land in the Syrian Arab Republic, amounting to AED 92.736 thousand as of 30 June 2021. There is uncertainty relating to the Group’s ability to derive the economic benefit or recover the value of this land as a result of the current political situation in Syria.

*Other matters*

The interim condensed consolidated financial statements of the Group for the period ended 30 June 2020 were reviewed by another auditor, who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 13 August 2020.

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 12 March 2021.



Signed by.

Raed Ahmad  
Partner  
Ernst & Young  
Registration No 811

11 August 2021  
Abu Dhabi

Al Qudra Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	824,343	830,045
Investment properties	7	4,896,683	4,860,297
Right-of-use assets	17	93,796	95,518
Investment in associates		40,237	41,248
Investment in joint ventures		7,349	6,799
Financial assets at fair value through other comprehensive income	8	414,619	431,721
Trade and other receivables	9	10,239	16,500
		<u>6,287,266</u>	<u>6,282,128</u>
<b>Current assets</b>			
Inventories		2,222	1,039
Development work in progress	11	487,387	487,498
Trade and other receivables	9	713,936	608,218
Due from related parties	10	124,470	128,347
Cash and bank balances	12	42,889	41,723
		<u>1,370,904</u>	<u>1,266,825</u>
<b>TOTAL ASSETS</b>		<u>7,658,170</u>	<u>7,548,953</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		865,613	808,984
Legal reserve		299,787	291,593
Merger reserve		336,465	336,465
Other reserves		243,144	242,399
Cumulative changes in fair value		40,088	57,190
Retained earnings		673,396	644,435
<b>Equity attributable to owners of the Parent</b>		2,458,493	2,381,066
Non-controlling interests		1,015,749	990,058
<b>Total equity</b>		<u>3,474,242</u>	<u>3,371,124</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Al Qudra Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)  
As at 30 June 2021

	Notes	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	13	12,134	19,326
Borrowings	14	1,930,662	1,534,443
Lease liabilities	17	95,297	92,266
Provision for employees' end of service benefits		<u>8,033</u>	<u>10,017</u>
		<b>2,046,126</b>	<b>1,656,052</b>
<b>Current liabilities</b>			
Trade and other payables	13	1,416,236	1,563,917
Borrowings	14	655,764	877,062
Lease liabilities	17	7,498	22,494
Due to related parties	10	<u>58,304</u>	<u>58,304</u>
		<b>2,137,802</b>	<b>2,521,777</b>
<b>Total liabilities</b>		<b>4,183,928</b>	<b>4,177,829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,658,170</b>	<b>7,548,953</b>

  
Chairman

  
Director

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.



## Al Qudra Holding PJSC and its Subsidiaries

### INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months period ended 30 June 2021 (Unaudited)

	Notes	Six months period ended 30 June	
		2021 AED '000 (Unaudited)	2020 AED '000 (Unaudited)
Rental income		132,772	111,175
Revenue from contracts with customers		80,925	61,956
Dividend income from financial assets at fair value through other comprehensive income	8	29,601	45,992
Other income		-	4,625
		<b>243,298</b>	<b>223,748</b>
<b>Expenses</b>			
Contract costs		(59,279)	(54,133)
Staff costs		(37,146)	(32,156)
Utilities		(1,496)	(759)
Depreciation on property, plant and equipment	6	(11,397)	(8,989)
Depreciation on right-of-use-assets	17	(1,722)	(2,208)
Marketing expenses		(301)	(952)
Rentals		(944)	(884)
Provision for impairment loss on development work in progress	11	(143)	-
Other expenses		(16,975)	(16,225)
<b>Operating profit</b>		<b>113,895</b>	<b>107,442</b>
Finance costs		(51,055)	(42,777)
Share of (loss) profit from investment in associates		(500)	3,990
Share of profit from investment in joint ventures		506	-
<b>Profit for the period</b>		<b>62,846</b>	<b>68,655</b>
<b>Profit attributable to:</b>			
Owners of the Parent		37,155	40,372
Non-controlling interests		25,691	28,283
		<b>62,846</b>	<b>68,655</b>
<b>Basic and diluted earnings per share (AED)</b>	15	<b>0.043</b>	<b>0.047</b>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

## Al Qudra Holding PJSC and its Subsidiaries

### INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2021 (Unaudited)

	Notes	Six months period ended 30 June	
		2021	2020
		AED'000	AED'000
		(Unaudited)	(Unaudited)
<b>Profit for the period</b>		<b>62,846</b>	68,655
<b>Other comprehensive (loss) / income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets through other comprehensive income		(17,102)	(11,029)
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		<u>745</u>	<u>520</u>
Other comprehensive loss for the period		<u>(16,357)</u>	<u>(10,509)</u>
<b>Total comprehensive income for the period</b>		<b><u>46,489</u></b>	<u>58,146</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Parent		20,798	29,863
Non-controlling interests		<u>25,691</u>	<u>28,283</u>
		<b><u>46,489</u></b>	<u>58,146</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.



## Al Qudra Holding PJSC and its Subsidiaries

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2021 (Unaudited)

	Attributable to Owners of the Parent								
	Share capital AED '000	Legal reserve AED '000	Merger reserve AED '000	Other reserves AED '000	Cumulative changes in fair value AED '000	Retained earnings AED '000	Total AED '000	Non-controlling interests AED '000	Total equity AED '000
At 1 January 2020 (Audited)	808,984	276,851	336,465	241,922	60,238	638,610	2,363,070	186,621	2,549,691
Profit for the period	-	-	-	-	-	40,372	40,372	28,283	68,655
Other comprehensive income (loss) for the period	-	-	-	520	(11,029)	-	(10,509)	-	(10,509)
Total comprehensive income (loss) for the period	-	-	-	520	(11,029)	40,372	29,863	28,283	58,146
<i>Transaction with owners:</i>									
Transactions with owners in their capacity as owners (note 2.4)	-	-	-	-	-	(132,706)	(132,706)	775,206	642,500
At 30 June 2020 (Unaudited)	<u>808,984</u>	<u>276,851</u>	<u>336,465</u>	<u>242,442</u>	<u>49,209</u>	<u>546,276</u>	<u>2,260,227</u>	<u>990,110</u>	<u>3,250,337</u>
At 1 January 2021 (Audited)	808,984	291,593	336,465	242,399	57,190	644,435	2,381,066	990,058	3,371,124
Profit for the period	-	-	-	-	-	37,155	37,155	25,691	62,846
Other comprehensive income (loss) for the period	-	-	-	745	(17,102)	-	(16,357)	-	(16,357)
Total comprehensive income (loss) for the period	-	-	-	745	(17,102)	37,155	20,798	25,691	46,489
Transfer to legal reserve	-	8,194	-	-	-	(8,194)	-	-	-
<i>Transaction with owners:</i>									
Issuance of bonus shares (note 19)	<u>56,629</u>	-	-	-	-	-	56,629	-	56,629
At 30 June 2021 (Unaudited)	<u>865,613</u>	<u>299,787</u>	<u>336,465</u>	<u>243,144</u>	<u>40,088</u>	<u>673,396</u>	<u>2,458,493</u>	<u>1,015,749</u>	<u>3,474,242</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statement.

## Al Qudra Holding PJSC and its Subsidiaries

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2021 (Unaudited)

	Notes	Six months period ended 30 June	
		2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
<b>OPERATING ACTIVITIES</b>			
Profit for the period		62,846	68,655
Adjustments for:			
Depreciation on property, plant and equipment	6	11,397	8,989
Depreciation on right-of-use assets		1,722	2,208
Dividend income	8	(29,601)	(45,992)
Finance costs		48,024	40,345
Finance cost on lease liabilities		3,031	2,432
(Reversal of provision) / provision for employees' end of service benefits		(1,420)	791
Provision for impairment loss on development work in progress	11	143	-
Share of profit from investment in joint ventures		(506)	-
Share of loss (profit) from investment in associates		500	(3,990)
Operating cash flows before changes in working capital		96,136	73,438
Changes in working capital:			
Inventories		(1,183)	(602)
Development work in progress		(32)	(40)
Trade and other receivables		(99,457)	(60,964)
Due from related parties		3,877	(5,296)
Due to related parties		-	421
Trade and other payables		(150,418)	194,693
Cash flows (used in) from operations		(151,077)	201,650
Employees' end of service benefits paid		(564)	(70)
Net cash flows (used in) from operating activities		(151,641)	201,580
<b>INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(5,695)	(75,196)
Additions to investment properties		(19,000)	(154,656)
Dividends received		30,112	48,492
Term deposits placed		(377)	-
Margin deposits placed		-	(3,770)
Net cash flows from (used in) investing activities		5,040	(185,130)
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,652,705	43,000
Repayment of borrowings		(1,477,784)	(1,693)
Repayment of lease liabilities		(14,996)	-
Dividends paid		(209)	(6)
Finance costs paid		(13,071)	(40,345)
Net cash flows from financing activities		146,645	956
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		44	17,406
Net foreign exchange differences		745	520
Cash and cash equivalents at 1 January		26,699	18,524
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	12	27,488	36,450

The attached notes 1 to 19 form part of these interim condensed consolidated financial statement

# Al Qudra Holding PJSC and its Subsidiaries

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 1 CORPORATE INFORMATION

Al Qudra Holding PJSC (the “Company” or the “Parent”) is a private joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE). The Company is registered on the secondary market in Abu Dhabi Stock Exchange.

The Company is registered under commercial license No. CN-1002912. The registered office of the Company is at P.O. Box 48111, Abu Dhabi, U.A.E. The Company and its subsidiaries together are referred to as (“the Group”).

The Group is principally engaged in investing in pioneering business ideas and forming strategic partnerships emanating from focused research and the expertise of its founders. The Group envisages subscribing as founder in potentially successful companies, development, management, sales and leasing of real estate projects, launch and manage educational, hospitality and health care projects and acquire controlling interests in strategic companies.

These interim condensed consolidated financial statements were approved and authorised for issue by the Group’s Board of Directors on 11 August 2021.

The comparative figures have been reclassified to conform to the current period presentation. Such reclassifications have no effect on the previously reported profit or retained earnings of the Group.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Fundamental accounting concept

As of 30 June 2021, the Group’s current liabilities exceeded its current assets by AED 766,898 thousand (31 December 2020: AED 1,254,952 thousand). This indicates the existence of a material uncertainty that may cast a significant doubt about the Group’s ability to continue as a going concern.

The Board of Directors projected the expected future net cash inflows from operations, which the existing assets will be generating from current and future projects. In their assessment, the Board of Directors has considered the start of operations of new projects. The Board of Directors has also considered a new major revenue construction contract with the government. Such projects are expected to generate additional net cash inflows for the Group.

Considering the above projects and revenue generating activities, they are of the view that the future net cash inflows from operations will be sufficient for the Group to enable it to meet both its liabilities as they fall due and to carry on its business without a significant curtailment of operations in the foreseeable future. Accordingly, management has prepared these interim condensed consolidated financial statements on a going concern basis.

#### 2.2 Basis of preparation

##### Accounting convention

These interim condensed consolidated financial statements have been prepared on the historical cost, basis except for investments at fair value through profit or loss and investment properties, which have been measured at fair value.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (AED), which is the functional and presentation currency of the Group.

##### Statement of compliance

The interim condensed consolidated financial statements for the six months period ended 30 June 2021 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and also comply with the applicable requirements of laws in the UAE.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020. In addition, results for the period ended 30 June 2021 are not necessarily indicative of the results for the year ending 31 December 2021.

## Al Qudra Holding PJSC and its Subsidiaries

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### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

##### 2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2020, except for the adoption of the following new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

##### 2.4 Basis of consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the 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 rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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 shareholders' meetings.

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

##### 2.4 Basis of consolidation continued

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of the Company's subsidiaries as at 30 June 2021 and 31 December 2020 are as follows:

Name of subsidiaries	Place of incorporation and operation	Percentage of ownership		Principal activities
		30 June 2021	31 December 2020	
Al Qudra Real Estate LLC	UAE	100%	100%	Real estate management.
Al Qudra Holding - Morocco	Morocco	100%	100%	General investment.
Smart Hotel Management	Morocco	100%	100%	Hotel management.
Smart Hotel Properties	Morocco	100%	100%	Hotel management.
Kasr Al Bahr	Morocco	100%	100%	Hospitality.
Atlantic Coast Hospitality	Morocco	100%	100%	General investment.
Al Qudra Holding Offshore	Morocco	100%	100%	Holding Company.
Al Qudra Holding – Syria	Syria	100%	100%	General investment.
Al Qudra Real Estate	Syria	100%	100%	Real estate management.
Al Qudra Trading LLC	UAE	100%	100%	Commercial project investment.
Dana Hospitality LLC	UAE	100%	100%	Hotel management.
Ain Al Fayda Real Estate LLC	UAE	100%	100%	Real estate management.
Al Qudra General Trading Establishment	UAE	100%	100%	Commercial project investment.
Al Qudra Facilities Management Services LLC	UAE	100%	100%	Cleaning and general maintenance for buildings and establishments management services.
Danat Facility Management LLC	UAE	100%	100%	Facilities management services.
Holiday Inn	UAE	100%	100%	Hotel management service.
Al Qudra for Agricultural and Development Company	UAE	100%	100%	Agriculture development.

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

##### 2.4 Basis of consolidation continued

Name of subsidiaries	Place of incorporation and operation	Percentage of ownership		Principal activities
		30 June 2021	31 December 2020	
Envo Scape LLC	UAE	100%	100%	Irrigation network contracting and constructing and maintaining parks and landscape design and planning activities.
Q General Investments Ltd	British Virgin Islands	100%	100%	General investment.
Al Qudra New Line Oil & Gas LLC *	UAE	50%	50%	Oil and gas and maintenance services.
Buhyarat Ain Al Fayda Real Estate LLC	UAE	100%	100%	Real estate management.
Manarah Bay Real Estate	UAE	100%	100%	Real estate management.
Q International Limited	UAE	100%	100%	General Investment.
Al Qudra Services LLC	UAE	100%	100%	Environmental plants maintenance.
Al Qudra and Ravago Investment LLC	UAE	100%	100%	General investment.
Q Scape LLC	UAE	51%	51%	Building Maintenance & Landscaping.
Q Energy LLC	UAE	60%	60%	Oil & Gas equipment installation and maintenance services.
Al Qudra Education LLC	UAE	100%	100%	Education Services.
Al Qudra Holding - Algeria	Algeria	100%	100%	General Investment.
Al Qudra Holding – International LLC	UAE	100%	100%	Industrial Enterprise & Financial Management.
Emirates Simulation Academy LLC	UAE	60%	60%	Construction, Operation Management and Development of Training Centre.
Q For Commercial Markets Management	UAE	60%	60%	Setup, Ownership and development of commercial Market, Parks and entertainment facilities.
Q Link Transport	UAE	85%	85%	Transportation.
Q Car Park LLC *	UAE	50%	50%	Developing, operating, renting and equipping of car parking.
Q Active for Technologies LLC	UAE	51%	51%	Telecommunication system installation and maintenance.
ABNIA for Industrial Holding LLC *	UAE	50%	50%	Activities of cement, glass, iron, wood and electromechanical industries.
Al Qudra Belarus Ltd.	Belarus	100%	100%	General Investment.
Al Qudra Holding - Yemen	Yemen	100%	100%	General Investment.
Al Qudra Holding Industrial LLC	UAE	100%	100%	Consultancy in alternative power and industrial projects.
Q Parks Establishment	UAE	100%	100%	Touristic resort management & entertainment investment.
Al Qudra Health Care LLC	UAE	100%	100%	Health care & hospitality.
QP International LLC	UAE	60%	60%	Project Management.



## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

##### 2.4 Basis of consolidation continued

Name of subsidiaries	Place of incorporation and operation	Percentage of ownership		Principal activities
		30 June 2021	31 December 2020	
Al Rayan Investment PSC	UAE	99.97%	99.97%	Develop, manage and invest in real estate enterprises.
Construction workers residential City LLC	UAE	65%	65%	Real Estate Investment.
Moon Flower Real Estate Development LLC	UAE	100%	100%	Real Estate Investment.
Green Precast Systems Technology LLC	UAE	100%	100%	General Contracting.
Earth Care Agricultural Products LLC	UAE	100%	100%	Agriculture Business.
Apex Residential LLC	UAE	100%	100%	Real Estate Investment.
Al Rayan Global Real Estate LLC	UAE	100%	100%	Real Estate Investment.
Q construction LLC	UAE	100%	100%	General contracting.
Radiant & Moonflower Real Estate Development LLC	UAE	65%	65%	Real Estate Investment.
Al Qudra Investment RSC Ltd.	UAE	100%	100%	Real Estate Investment.

\*Although, the Group owns 50% of the outstanding shares of Al Qudra New Line Oil & Gas LLC, Q Car Park LLC and ABNIA for Industrial Holding LLC, the investment has been classified as a subsidiary by virtue of control over the investee.

During the six months period ended 30 June 2020, the Company entered into a share sale agreement to sell its 35% shareholding in Radiant & Moonflower Real Estate Development LLC for a price of AED 675,000 thousand (fair value of the consideration amounted to AED 642,500 thousand). At the date of the transaction, the net book value of the Company in proportion to the shares sold amounted to AED 775,206 thousand. The difference of AED 132,706 thousand between the fair value of the sale consideration and net book value was recognized in the interim condensed consolidated statement of changes in equity for the period ended 30 June 2020.

#### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these interim condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.



## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS continued

##### *Impact of novel coronavirus (COVID-19)*

The outbreak of COVID-19 continues to progress and evolve, causing disruption to business and economic activity. There has been macro-economic uncertainty with regards to prices and demand for commodities. However, the scale and duration of these developments remain uncertain but could impact our earnings, cash flow and financial condition. The Group is monitoring the evolution of the COVID-19 pandemic and will continue to assess further impacts going forward

The currently known impacts of COVID-19 on the Group are slight delays in customers collections due to COVID-19 but management is closely monitoring the situation and has kept adequate provision for expected credit losses. The management does not anticipate a future material impact of this outbreak on the Group's consolidated financial statements at this stage.

#### 4 FINANCIAL RISK MANAGEMENT

##### 4.1 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate bank balances and credit facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

##### 4.2 Fair value estimation

The Group classifies valuation of its financial instruments carried at fair value and investment properties for which fair value is disclosed in the following levels of fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	<i>Level 1</i> <i>AED '000</i>	<i>Level 2</i> <i>AED '000</i>	<i>Level 3</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
<i>At 30 June 2021 (Unaudited)</i>				
Investment properties	-	-	4,896,683	4,896,683
Financial assets at fair value through other comprehensive income	<u>1,480</u>	<u>342,600</u>	<u>70,539</u>	<u>414,619</u>
	<u>1,480</u>	<u>342,600</u>	<u>4,967,222</u>	<u>5,311,302</u>
<i>At 31 December 2020 (Audited)</i>				
Investment properties	-	-	4,860,297	4,860,297
Financial assets at fair value through other comprehensive income	<u>1,466</u>	<u>360,235</u>	<u>70,020</u>	<u>431,721</u>
	<u>1,466</u>	<u>360,235</u>	<u>4,930,317</u>	<u>5,292,018</u>

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 4 FINANCIAL RISK MANAGEMENT

##### 4.2 Fair value estimation continued

###### *Financial assets at fair value through other comprehensive income*

The valuation techniques used in measuring level 3 fair value for financial instruments measured at fair value were consistent with those as of 31 December 2020 prior year. However, during the six months period, management has remeasured the fair value by updating the significant unobservable inputs and recorded a fair value loss of AED 17,102 thousand (30 June 2020: AED 11,029 thousand).

During the six months period ended 30 June 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

##### 4.3 Exposure to Abraaj Group

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Infrastructure Growth Capital	13,538	26,686
Abraaj Buyout Fund II*	<u>-</u>	<u>-</u>
	<u>13,538</u>	<u>26,686</u>

\*During the year 2019, the Group impaired the investment of AED 12,622 thousand in Abraaj Buyout Fund II, based on the instructions of the fund manager.

#### 5 SEASONALITY OF OPERATIONS

The results for the period ended 30 June 2021 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Management has concluded that this does not constitute "highly seasonal" as considered by IAS 34 Interim Financial Reporting. Notwithstanding, the results for the six months period ended 30 June 2021 are not necessarily indicative of the results that might be expected for the year ending 31 December 2021.

#### 6 PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 30 June 2021, the Group made additions to various property, plant and equipment with a cost of AED 5,695 thousand (year ended 31 December 2020: AED 61,421 thousand). The depreciation charge for the six months period is AED 11,397 thousand (30 June 2020: AED 8,989 thousand).

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 7 INVESTMENT PROPERTIES

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Properties under development (i)	1,054,441	1,018,055
Labour Camps (ii)	2,921,199	2,921,199
Land (iii)	871,583	871,583
Buildings (iv)	<u>49,460</u>	<u>49,460</u>
	<u><b>4,896,683</b></u>	<u><b>4,860,297</b></u>

As at 31 December 2020, investment properties were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

At the reporting date, the Group has assessed the fair value of its major investment properties and concluded that there is no significant change observed in significant estimates and judgements used in the valuation of investment properties as compared with 31 December 2020. In its assessment, management has concluded that for the investment properties (plots of land) valued using comparable method there is currently no comparable evidence in the market which suggest a change in the valuation for investment properties (plots of land). For the investment properties valued using discounted cash flow (camps, buildings etc), the Group did not observe any significant change in the estimates in terms of change in rental tariff or occupancy rate.

##### (i) Properties under development

###### *Complex*

During the year 2017, Abu Dhabi Municipality provided a plot of land for a lease period of fifty years. The Group is in the process of constructing a new traditional souq (the Souq) and a hotel situated between Al Maqta'a bridge and Khaleej Al Arabi Street located at the gateway to Abu Dhabi. The Souq mainly comprises of commercial units and hubs which are expected to yield rental from its use.

The property is expected to be completed during the year 2021. The estimated additional cost to complete as at 30 June 2021 is AED 125,000 thousand (year ended 31 December 2020: AED 125,000 thousand).

During the six months period, the finance cost capitalised as part of the property under development amounted to AED 17,386 thousand (year ended 31 December 2020: AED 33,550 thousand).

###### *Labour/staff camp*

During the year 2012, Zones Corp provided a plot of land to Moon Flower Real Estate Development LLC ("Moon Flower"), a sub-subsidiary of the Group for a lease period of thirty years.

The estimated additional cost to complete as at 30 June 2021 is AED 9,000 thousand (2020: AED 28,000 thousand).

##### (ii) Labour camps

###### *Construction Workers Residential City*

The fair value of Construction Workers Residential City project (labour camp) amounted to AED 809,000 thousand (31 December 2020: AED 809,000 thousand). During the year ended 31 December 2020, the lease of this land has been extended to 50 years by Zones Corp (lessor).

###### *Moon Flower*

The property has 5,998 staff accommodation rooms. The fair value of Moon Flower staff accommodation is AED 2,112,199 thousand (31 December 2019: AED 2,112,199 thousand). The property is located in Musaffah City and leased to various corporate entities for the purpose of staff accommodation.

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 7 INVESTMENT PROPERTIES continued

##### (iii) Land

The following table illustrates the details of the plots of land, which are owned by the Group:

Plot	Location	30 June	31 December
		2021	2020
		AED'000	AED'000
		(Unaudited)	(Audited)
Manarah Bay (a)	Abu Dhabi, UAE	306,000	306,000
Khalifa city A (b)	Abu Dhabi, UAE	158,000	158,000
Khalifa city B (b)	Abu Dhabi, UAE	146,500	146,500
Damascus Syria (c)	Syrian Arab Republic	92,736	92,736
Reem Island plot RT6-C7 (d)	Abu Dhabi, UAE	45,500	45,500
Hydra golf walk (d)	Abu Dhabi, UAE	14,800	14,800
Al Ain Retail & Health Care Plots (e)	Al Ain, UAE	48,047	48,047
Shuwaib Farm - Al Hayer (f)	Al Ain, UAE	60,000	60,000
		<u>871,583</u>	<u>871,583</u>

At the reporting date, the Group has assessed the fair value of its major investment properties and concluded that there is no significant change observed in significant estimates and judgements used in the valuation of investment properties as compared with 31 December 2020.

##### (a) Manarah Bay

The fair value of Manarah Bay has been determined by using the direct comparison approach. As at 30 June 2021, the fair value of the land is AED 306,000 thousand.

##### (b) Khalifa city A and B

The Group owns two plots of land in Khalifa City A and B for which the Group intends to construct investment properties for rental income. The fair value of the land was determined using the direct comparison approach.

##### (c) Damascus Syria

The Group has a plot of land in Syria amounting to AED 92,736 thousand as of 30 June 2021. There is uncertainty relating to the Group's ability to derive the economic benefit or recover the value of this land as a result of the current political situation in Syria and the fact that the land is currently occupied by the Syrian Army.

##### (d) Reem Island plot RT6-C7 and Hydra golf walk

The Group owns two plots of land in Reem Island and Hydra golf walk, respectively, for which the Group intends to construct investment properties for rental income. The fair value of these plots was determined using direct comparison approach.

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 7 INVESTMENT PROPERTIES continued

##### (iii) Land continued

###### (e) Al Ain Retail & Health Care Plots

The Group owns certain plots of land in Al Ain which were carried as inventories in the past. During the year ended 31 December 2020, the Group transferred these plots from inventories to investment property as it intended to construct properties on these for rental income. The fair values of these plots were determined using direct comparison approach.

###### (f) Shuwaib Farm – Al Hayer

The Group owns a plot of agriculture land in Al Hayer, Al Ain, which was carried as inventory in the past. During the year ended 31 December 2020, the Group transferred these plots from inventories to investment property as it intended to construct properties on these for rental income. The fair values of these plots were determined using direct comparison approach.

##### (iv) Buildings

Plot	Location	30 June	31 December
		2021	2020
		AED'000	AED'000
		(Unaudited)	(Audited)
Al Qudra building (a)	Abu Dhabi, UAE	48,460	48,460
Al Ghadeer Project - Villa	Abu Dhabi, UAE	<u>1,000</u>	<u>1,000</u>
		<u>49,460</u>	<u>49,460</u>

###### (a) Al Qudra building

During the year 2016, the Group transferred its head office building's ground floor, mezzanine floor and floors 1-3 to investment properties as those areas of the property started were used for rental income generation. The fair value of the building was determined using the indirect method (income capitalization approach).

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June	31 December
	2021	2020
	AED'000	AED'000
	(Unaudited)	(Audited)
Quoted securities	1,480	1,466
Unquoted securities	<u>413,139</u>	<u>430,255</u>
	<u>414,619</u>	<u>431,721</u>



## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME continued

The movements in financial assets at fair value through other comprehensive income are as follows:

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
At 1 January 2021 / 2020	431,721	434,769
Changes in fair value	<u>(17,102)</u>	<u>(3,048)</u>
At 30 June 2021 / 31 December 2020	<u>414,619</u>	<u>431,721</u>

During the six months period, the Group the recognised dividend income of AED 29,601 thousand (30 June 2020: 45,992 thousand).

Fair value of certain unquoted investments have been estimated on the basis of latest concluded sales of similar investments confirmed by market intermediaries or through internal valuations.

#### 9 TRADE AND OTHER RECEIVABLES

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Trade receivables	803,517	686,966
Advances to contractors	91,940	91,940
Due from customers on contracts	-	6,966
Retention receivables	41,251	38,450
Prepayments and other advances	16,087	23,595
Other receivables	<u>85,906</u>	<u>91,327</u>
	<b>1,038,701</b>	<b>939,244</b>
Expected credit loss allowance	<u>(314,526)</u>	<u>(314,526)</u>
	<u>724,175</u>	<u>624,718</u>
Non-current	10,239	16,500
Current	<u>713,936</u>	<u>608,218</u>
	<u>724,175</u>	<u>624,718</u>

Expected credit loss of AED 27,496 thousand (2020: AED 27,496 thousand) is recorded against advance and prepayments. The discounting impact on non-current receivables is immaterial.

The Group is exposed to a concentration risk with one of its customers individually representing 26% (2020: 30%) of the total balance of trade receivables outstanding as of reporting date. During the year 2020, after considerable negotiations, the Group received a final offer from this customer to settle this claim for AED 205.6 million and the settlement is due in 2021. Management expects to receive this amount from the customer before 31 December 2021.

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 10 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise the shareholders, directors, key management personnel and any businesses which are controlled, either directly or indirectly, or jointly controlled by them or over which they exercise significant influence. Pricing and terms of transactions with related parties are in accordance with agreements between the related parties and are approved by the Group's management.

##### Balances and transaction with related parties

###### (a) Balances due from related parties

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
<b>Current</b>		
Al Qudra Sports Management (Joint Venture) *	5,568	9,469
Barary Ain Al Fayda (Associate)**	<u>107,414</u>	<u>107,301</u>
	<u>112,982</u>	<u>116,770</u>
<i>Other related parties</i>		
Connection Real Estate	5,905	5,905
Projects International Dubai	6,868	6,868
SKM-Q L.L.C.	3,635	3,635
Others	<u>840</u>	<u>929</u>
	<u>17,248</u>	<u>17,337</u>
	130,230	134,107
Expected credit loss allowance	<u>(5,760)</u>	<u>(5,760)</u>
	<u>124,470</u>	<u>128,347</u>

\* The balance represents receivable from Al Qudra Sports Management and includes loan amounting to AED 2,818 thousand (31 December 2020: AED 6,718 thousand) at an interest rate of 5.5%.

\*\* The balance represents receivable from Barary Ain Al Fayda for sale of plots and construction payments. The amount is receivable on demand and has been classified as a current asset.

###### (b) Balances due to related parties

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
<i>Other related parties</i>		
Center of Excellence for Applied Research & Training	28,256	28,256
Lootah BCGas	8,467	8,467
GSE Power Systems, Inc.	8,065	8,065
Emirates Link Group	4,661	4,661
Salvatkore Sakr	8,277	8,277
Others	<u>578</u>	<u>578</u>
	<u>58,304</u>	<u>58,304</u>



## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 10 RELATED PARTY BALANCES AND TRANSACTIONS continued

##### Balances and transaction with related parties continued

(c) Significant transactions with related parties

	<i>Six months period ended</i>	
	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>30 June 2020 AED'000 (Unaudited)</i>
<b>Key management compensation</b>		
Salaries and short-term benefits	<u>7,247</u>	<u>4,043</u>
<b>Transactions with related parties</b>		
Finance income	<u>129</u>	<u>46</u>
Purchases	<u>-</u>	<u>371</u>
Sales	<u>1,312</u>	<u>2,041</u>

#### 11 DEVELOPMENT WORK IN PROGRESS

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Al Sadu project - Abu Dhabi (i)	376,190	376,158
Reem downtown (ii)	111,000	111,000
Others	<u>42,402</u>	<u>42,402</u>
	529,592	529,560
Less: impairment allowance	<u>(42,205)</u>	<u>(42,062)</u>
	<u>487,387</u>	<u>487,498</u>

During the six months period, an impairment of AED 143 thousand (30 June 2020: AED nil) was recorded by the Group.

Development work in progress represents land cost, development and construction costs incurred on properties under construction. As at the reporting date, the development work in progress is in a usable condition and no further impairment exists.

(i) *Al Sadu project - Abu Dhabi*

The Group has a plot of land located in Al Reem Island, Abu Dhabi. The plot was valued by an independent professionally qualified valuer during the year ended 31 December 2020 using the direct comparison approach and no impairment was identified.

(ii) *Reem downtown*

On 19 November 2018, the Group had purchased another plot of land located in Al Reem Island, Abu Dhabi. The plot will be used to construct residential units for resale. The plot was valued by an independent professionally qualified valuer during the year ended 31 December 2020 using the direct comparison approach and no impairment was identified.

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 12 CASH AND BANK BALANCES

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Cash at bank	27,488	26,699
Term deposits	12,000	11,623
Margin deposits	<u>3,401</u>	<u>3,401</u>
	<u><b>42,889</b></u>	<u><b>41,723</b></u>

For the purpose of interim condensed consolidated statement of cash flows, cash and cash equivalents comprise:

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Cash and bank balances	42,889	41,723
Less:		
Term deposits	(12,000)	(11,623)
Margin deposits	<u>(3,401)</u>	<u>(3,401)</u>
	<u><b>27,488</b></u>	<u><b>26,699</b></u>

Term deposits and margin deposits are placed with commercial banks. Term deposits have original maturity of more than 90 days. Margin deposits are placed as security against the bank guarantees.

#### 13 TRADE AND OTHER PAYABLES

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Trade payables	967,974	1,157,897
Retention payables	156,582	155,375
Deferred income	104,231	26,057
Provision for infrastructure construction cost	38,647	50,108
Accrued expenses	28,114	31,489
Advance from customers	31,078	36,915
Dividend payable	13,101	69,939
Accrued interest	57,295	27,315
Other payables	<u>31,348</u>	<u>28,148</u>
	<u><b>1,428,370</b></u>	<u><b>1,583,243</b></u>
Non-current	12,134	19,326
Current	<u><b>1,416,236</b></u>	<u><b>1,563,917</b></u>
	<u><b>1,428,370</b></u>	<u><b>1,583,243</b></u>

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 14 BORROWINGS

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Bank overdrafts (a)	20,419	14,723
Term loans (b)	944,529	953,817
Islamic financing facilities (c)	<u>1,621,478</u>	<u>1,442,965</u>
	<u>2,586,426</u>	<u>2,411,505</u>
Non-current	1,930,662	1,534,443
Current portion	<u>655,764</u>	<u>877,062</u>
	<u>2,586,426</u>	<u>2,411,505</u>

(a) *Bank overdrafts*

Bank overdrafts are repayable on demand and bear interest at prevailing inter-bank rates.

(b) *Term loans*

Term loans are obtained for the purpose of financing the construction of projects and for other operational purposes. The term loans carry variable interest rates and are secured against various collaterals. The Group has complied with the financial covenants of its borrowing facilities during the six months period, furthermore the Group is in the process of negotiating with certain banks to restructure its facilities.

(c) *Islamic financing facilities*

During the six months period, the Group settled an outstanding Islamic financing facility obtained from a Islamic bank amounting to AED 1,392,364 thousand. Moreover, the Group availed a new facility of AED 1,652,705 thousand from an Islamic bank, at an interest rate of 3% per annum. The tenure of the new facility is 11 years.

#### 15 EARNINGS PER SHARE

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>30 June 2020 AED'000 (Unaudited)</i>
Basic and diluted earnings per share	<u>0.043</u>	<u>0.047</u>

Earnings per share is calculated by dividing the profit attributable to the owners of the Parent for the six months period ended 30 June 2021, amounting to AED 37,155 thousand (30 June 2020: AED 40,372 thousand) by the weighted average number of shares outstanding during the period of 865,613 thousand (30 June 2020: 865,613 thousand). There are no diluted earnings per share in the period presented. Due to the issuance of bonus shares during the current period, basic and diluted earnings per share for the period ended 30 June 2020 have been restated in accordance with the requirements of IAS 33 "Earnings per share".

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 16 COMMITMENTS AND CONTINGENT LIABILITIES

##### a) Commitments

The commitments relate to the construction of property under development.

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Within one year	<u>148,198</u>	<u>162,718</u>

##### b) Contingencies

Guarantees	<u>159,347</u>	<u>156,352</u>
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##### c) Litigations

The Group is a defendant in certain long outstanding legal cases in ordinary course of its business, from which management anticipate that no material liabilities are expected to arise as at the reporting date.

#### 17 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The movements in the right of use asset are as follows:

##### Right of use assets

###### Land

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Cost:		
At 1 January 2021 / 2020	103,406	84,788
Additions	<u>-</u>	<u>18,618</u>
At 30 June 2021 / 31 December 2020	<u>103,406</u>	<u>103,406</u>
Accumulated depreciation:		
At 1 January 2021 / 2020	(7,888)	(4,407)
Charge for the period / year	<u>(1,722)</u>	<u>(3,481)</u>
At 30 June 2021 / 31 December 2020	<u>(9,610)</u>	<u>(7,888)</u>
Net carrying amount	<u>93,796</u>	<u>95,518</u>

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 17 RIGHT OF USE ASSETS AND LEASE LIABILITIES continued

##### *Lease liabilities*

The movements in the lease liabilities are as follows:

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
At 1 January 2021 / 2020	114,760	89,808
Interest expense	3,031	6,334
Additions	-	18,618
Payment made during the period	<u>(14,996)</u>	<u>-</u>
At 30 June 2021 / 31 December 2020	<u>102,795</u>	<u>114,760</u>
Current	7,498	22,494
Non-current	<u>95,297</u>	<u>92,266</u>
	<u>102,795</u>	<u>114,760</u>

## Al Qudra Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

#### 18 SEGMENT REPORTING

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments". IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the "Executive management" who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance.

	<i>Real Estate AED'000</i>	<i>Hospitality AED'000</i>	<i>Labour accommodation AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>Six months period ended</i>					
<i>30 June 2021 (Unaudited)</i>					
Income	28,760	11,732	165,318	37,488	243,298
Expenses	<u>(42,234)</u>	<u>(10,668)</u>	<u>(55,357)</u>	<u>(8,025)</u>	<u>(116,284)</u>
(Loss) earnings before interest, tax and depreciation	(13,474)	1,064	109,961	29,463	127,014
Depreciation on property, plant and equipment	(6,146)	(431)	(4,765)	(55)	(11,397)
Depreciation on right-of-use-assets	—	—	(1,722)	—	(1,722)
Operating (loss) profit	<u>(19,620)</u>	<u>633</u>	<u>103,474</u>	<u>29,408</u>	<u>113,895</u>
Finance costs	(18,578)	(16)	(32,448)	(13)	(51,055)
Share of profit from investment in associates and joint ventures	6	—	—	—	6
Net segment results	<u>(38,192)</u>	<u>617</u>	<u>71,026</u>	<u>29,395</u>	<u>62,846</u>
<i>Six months period ended</i>					
<i>30 June 2020 (Unaudited)</i>					
Income	21,974	11,484	140,360	49,930	223,748
Expenses	<u>(29,546)</u>	<u>(10,559)</u>	<u>(57,568)</u>	<u>(7,436)</u>	<u>(105,109)</u>
(Loss) earnings before interest, tax and depreciation	(7,572)	925	82,792	42,494	118,639
Depreciation on property, plant and equipment	(6,032)	(544)	(2,357)	(56)	(8,989)
Depreciation on right-of-use-assets	—	—	(2,208)	—	(2,208)
Operating (loss) profit	<u>(13,604)</u>	<u>381</u>	<u>78,227</u>	<u>42,438</u>	<u>107,442</u>
Finance costs	(12,011)	(632)	(30,119)	(15)	(42,777)
Share of profit from investment in associates and joint ventures	3,990	—	—	—	3,990
Net segment results	<u>(21,625)</u>	<u>(251)</u>	<u>48,108</u>	<u>42,423</u>	<u>68,655</u>
	<i>Real Estate AED'000</i>	<i>Hospitality AED'000</i>	<i>Labour accommodation AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>As at 30 June 2021 (Unaudited)</i>					
Segment assets	<u>3,035,813</u>	<u>455,755</u>	<u>3,765,797</u>	<u>400,805</u>	<u>7,658,170</u>
Segment liabilities	<u>1,728,988</u>	<u>453,030</u>	<u>1,311,303</u>	<u>690,607</u>	<u>4,183,928</u>
<i>As at 31 December 2020 (Audited)</i>					
Segment assets	<u>3,140,401</u>	<u>444,478</u>	<u>3,641,746</u>	<u>322,328</u>	<u>7,548,953</u>
Segment liabilities	<u>1,784,542</u>	<u>444,254</u>	<u>1,259,025</u>	<u>690,008</u>	<u>4,177,829</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 June 2021 (Unaudited)

**19 ISSUANCE OF BONUS SHARES**

In the Annual General Meeting held on 7 April 2021, the shareholders of the Company, approved an increase in Company's share capital by an amount of AED 56,629 thousand through the issuance of 56,629 thousand bonus shares with a nominal value of AED 1 per share in lieu of cash dividends due to shareholders for the year 31 December 2018.

Subsequent to issuance of bonus shares by the Company, share capital of the Company increased to AED 865,613 thousand.