

Q Holding PSC and its subsidiaries
(Formerly “Al Qudra Holding PJSC”)

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

30 JUNE 2022 (UNAUDITED)



Ernst & Young Middle East
(Abu Dhabi Branch)
P.O. Box 136
27th Floor, Nation Tower 2
Abu Dhabi Corniche
Abu Dhabi, United Arab Emirates

Tel: +971 2 417 4400
Fax: +971 2 627 3383
abudhabi@ae.ey.com
ey.com

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF Q HOLDING PSC (FORMERLY 'AL QUDRA HOLDING PJSC')**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Q Holding PSC (formerly "Al Qudra Holding PJSC") (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2022, comprising of the interim consolidated statement of financial position as at 30 June 2022, and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three month and six month periods then ended and the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six month 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 "*Interim Financial Reporting*".

Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811

28 July 2022
Abu Dhabi

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three month and six month periods ended 30 June 2022 (Unaudited)

	Note	Three months ended 30 June		Six months ended 30 June	
		2022 AED '000	2021 AED '000	2022 AED '000	2021 AED '000
Revenue from contracts with customers	5	26,646	31,967	228,435	80,925
Rental income		87,592	62,589	175,144	132,772
Dividend income		30,252	29,601	31,255	29,601
		<u>144,490</u>	124,157	<u>434,834</u>	243,298
Contract costs		(36,395)	(16,012)	(80,137)	(45,244)
Staff costs	6	(15,672)	(19,316)	(31,042)	(37,146)
Utilities		(6,286)	(6,828)	(13,716)	(15,531)
Provision for expected credit loss on trade and other receivables	14	(3,369)	-	(7,886)	-
Change in the fair value of financial assets through profit or loss	12	(243,001)	-	(249,782)	-
Depreciation on property, plant and equipment	9	(4,165)	(5,755)	(8,209)	(11,397)
Rent expenses		(1,303)	(556)	(2,645)	(944)
Depreciation on right-of-use-assets		(854)	(862)	(1,700)	(1,722)
Amortisation of intangible assets		(66)	-	(167)	-
Marketing expenses		(5,739)	(251)	(6,070)	(301)
Fair value loss on investment properties	11	(260,768)	-	(260,768)	-
Provision for impairment on property, plant, and equipment	9	(36,253)	-	(36,253)	-
Provision for impairment loss on development work in progress	15	(175,789)	(143)	(175,789)	(143)
Other expenses		(7,794)	(1,783)	(27,262)	(16,975)
OPERATING (LOSS) PROFIT		(652,964)	72,651	(466,592)	113,895
Finance costs, net	7	(26,774)	(16,156)	(74,238)	(51,055)
Gain on liquidation of subsidiaries		-	-	2,450	-
Provisional bargain purchase gain on acquisition of a subsidiary	10.1	1,231,810	-	1,231,810	-
Loss on disposal of a subsidiary	10.2	(16,779)	-	(16,779)	-
Share of (loss) profit from associates		-	(500)	525	(500)
Share of (loss) profit from joint ventures		(1,123)	162	(1,123)	506
PROFIT FOR THE PERIOD		<u>534,170</u>	<u>56,157</u>	<u>676,053</u>	<u>62,846</u>
Profit attributable to:					
Owners of the Parent		525,772	44,342	653,353	37,155
Non-controlling interests		<u>8,398</u>	<u>11,815</u>	<u>22,700</u>	<u>25,691</u>
		<u>534,170</u>	<u>56,157</u>	<u>676,053</u>	<u>62,846</u>
Basic and diluted earnings per share (AED)	21	<u>0.09</u>	<u>0.05</u>	<u>0.11</u>	<u>0.04</u>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month and six month periods ended 30 June 2022 (Unaudited)

	Note	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
		<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
PROFIT FOR THE PERIOD		534,170	56,157	676,053	62,846
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Change in the fair value of financial assets through other comprehensive income	12	(87,641)	(17,102)	(31,181)	(17,102)
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations		115	-	1,178	745
Other comprehensive loss for the period		(87,526)	(17,102)	(30,003)	(16,357)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		446,644	39,055	646,050	46,489
Total comprehensive income attributable to:					
Owners of the Parent		438,246	27,240	623,350	20,798
Non-controlling interests		8,398	11,815	22,700	25,691
		446,644	39,055	646,050	46,489

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	<i>Note</i>	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	9	527,880	694,669
Investment properties	11	7,477,326	6,560,874
Right-of-use assets		92,043	93,743
Investment in associates		31,109	32,027
Investment in joint ventures		5,604	7,322
Intangible assets including goodwill		78,632	78,639
Investments held at fair value through other comprehensive income	12	436,376	467,557
Trade and other receivables	14	<u>425,282</u>	<u>127,803</u>
		<u>9,074,252</u>	<u>8,062,634</u>
Current assets			
Inventory properties	13	1,366,036	7,509
Development work in progress	15	1,161,406	1,202,812
Trade and other receivables	14	414,625	405,832
Investments held at fair value through profit or loss	12	3,152,648	62,383
Amounts due from related parties	20	140,698	112,689
Cash and bank balances	16	<u>1,381,257</u>	<u>1,668,655</u>
		7,616,670	3,459,880
Assets held for sale		<u>1,920,276</u>	<u>1,058,031</u>
		<u>9,536,946</u>	<u>4,517,911</u>
TOTAL ASSETS		<u>18,611,198</u>	<u>12,580,545</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	6,855,599	5,508,191
Share premium	17	4,459,919	-
Legal reserve		327,122	327,122
Merger reserve		(189,234)	(189,234)
Other reserves		236,920	235,742
Cumulative changes in fair value		7,694	38,875
Retained earnings		<u>1,344,545</u>	<u>691,192</u>
Equity attributable to Owners of the Parent		13,042,565	6,611,888
Non-controlling interests		<u>1,054,975</u>	<u>1,033,098</u>
Total equity		<u>14,097,540</u>	<u>7,644,986</u>

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

At 30 June 2022

	Note	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
LIABILITIES			
Non-current liabilities			
Trade and other payables	18	31,435	28,707
Loans and borrowings	19	1,660,303	2,119,634
Lease liabilities		94,227	94,227
Provision for employees' end of service benefits		14,304	13,377
		<u>1,800,269</u>	<u>2,255,945</u>
Current liabilities			
Trade and other payables	18	2,001,087	1,967,934
Loans and borrowings	19	199,101	203,552
Lease liabilities		16,872	13,880
Amounts due to related parties	20	488,224	486,143
		<u>2,705,284</u>	<u>2,671,509</u>
Liabilities directly associated with assets held for sale		<u>8,105</u>	<u>8,105</u>
		<u>2,713,389</u>	<u>2,679,614</u>
Total liabilities		<u>4,513,658</u>	<u>4,935,559</u>
TOTAL EQUITY AND LIABILITIES		<u>18,611,198</u>	<u>12,580,545</u>



Chief Financial Officer



Chief Executive Officer



Director

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2022 (Unaudited)

	Attributable to Owners of the Parent							Non-controlling interests AED '000	Total equity AED '000	
	Share capital AED '000	Share premium 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
At 1 January 2021 (Audited)	808,984	-	291,593	336,465	242,399	57,190	561,946	2,298,577	996,281	3,294,858
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	56,629	-	-	-	-	-	-	56,629	-	56,629
At 30 June 2021 (Unaudited)	865,613	-	299,787	336,465	243,144	40,088	590,907	2,376,004	1,021,972	3,397,976
At 1 January 2022 (Audited)	5,508,191	-	327,122	(189,234)	235,742	38,875	691,192	6,611,888	1,033,098	7,644,986
Profit for the period	-	-	-	-	-	-	653,353	653,353	22,700	676,053
Other comprehensive income (loss) for the period	-	-	-	-	1,178	(31,181)	-	(30,003)	-	(30,003)
Total comprehensive income (loss) for the period	-	-	-	-	1,178	(31,181)	653,353	623,350	22,700	646,050
Increase in share capital on acquisition of subsidiary (note 10.1)	1,347,408	-	-	-	-	-	-	1,347,408	-	1,347,408
Acquisition of a subsidiary (note 10.1)	-	4,459,919	-	-	-	-	-	4,459,919	-	4,459,919
Disposal of a subsidiary (note 10.2)	-	-	-	-	-	-	-	-	(823)	(823)
At 30 June 2022 (Unaudited)	6,855,599	4,459,919	327,122	(189,234)	236,920	7,694	1,344,545	13,042,565	1,054,975	14,097,540

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

INTERIM CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2022 (Unaudited)

		<i>Six month period ended 30 June</i>	
	Note	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
OPERATING ACTIVITIES			
Profit for the period		676,053	62,846
Adjustments for:			
Depreciation on property, plant and equipment	9	8,209	11,397
Amortisation of intangible assets		167	-
Depreciation on right-of-use assets		1,700	1,722
Gain on disposal of assets held-for-sale		(4,341)	-
Dividend income		(31,255)	(29,601)
Finance costs	7	71,246	48,024
Finance costs on lease liabilities	7	2,992	3,031
Net changes in investments held at fair value through profit or loss	12	249,782	-
Provision (reversal) for employees' end of service benefits		1,325	(1,420)
Provision for impairment on development work in progress	15	175,789	143
Fair value loss on investment properties	11	260,768	-
Provision for impairment on property, plant and equipment	9	36,253	-
Provision for expected credit loss on financial assets		7,886	-
Provisional bargain purchase gain on acquisition of subsidiary	10.1	(1,231,810)	-
Share of loss (profit) from investment in joint ventures		1,123	(506)
Share of (profit) loss from investment in associates		(525)	500
Operating cash flows before changes in working capital		225,362	96,136
Changes in working capital:			
Inventory properties		22	(1,183)
Development work in progress		(135,362)	(32)
Trade and other receivables		73,885	(99,457)
Amounts due from related parties		(20,049)	3,877
Amounts due to related parties		(7,892)	-
Trade and other payables		(168,646)	(150,418)
Cash used in operations		(32,680)	(151,077)
Employees' end of service benefits paid		(2,671)	(564)
Net cash flows used in operating activities		(35,351)	(151,641)
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(27,015)	(5,695)
Purchase of intangibles assets		(160)	-
Proceeds from disposal of property, plant and equipment		12,866	-
Proceeds from disposal of assets held-for-sale		13,401	-
Cash acquired on acquisition of subsidiary		408,700	-
Purchase of investments held at fair value through profit or loss		(12,871)	-
Disposal of investments held at fair value through profit or loss		19,080	-
Additions to investment properties		(32,717)	(19,000)
Dividends received		32,788	30,112
Proceeds from disposal of investment in joint venture		510	-
Investment in an associate		(90)	-
Margin deposit placed		(6,690)	-
Term deposit placed		(301,893)	(377)
Net cash flows from investing activities		105,909	5,040
FINANCING ACTIVITIES			
Proceeds from bank borrowings		1,054,371	1,652,705
Repayment of bank borrowings		(1,669,868)	(1,477,784)
Repayment of lease liabilities		-	(14,996)
Dividends paid		-	(209)
Finance costs paid		(58,781)	(13,071)
Net cash flows (used in) from financing activities		(674,278)	146,645
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(603,720)	44
Net foreign exchange differences		10,839	745
Cash and cash equivalents at 1 January		1,652,264	26,699
CASH AND CASH EQUIVALENTS AT 30 JUNE	16	1,059,383	27,488

The attached notes 1 to 24 form part of these interim condensed consolidated financial statement.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

1 GENERAL INFORMATION

Q Holding PSC (formerly “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”).

On 8 March 2022, the shareholders approved to change the name of the Company from “Al Qudra Holding PJSC” to “Q Holding PSC”.

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 a 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 authorised for issue in accordance with the resolution of the Board of Directors on 28 July 2022.

2.1 BASIS OF PREPARATION

Accounting convention

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by International Accounting Standards Board (IASB), and the applicable requirements of the UAE Federal Law No. 32 of 2021.

Statement of compliance

The interim condensed consolidated financial statements for the six months period ended 30 June 2022 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 2021. In addition, results for the period ended 30 June 2022 are not necessarily indicative of the results for the year ending 31 December 2022.

2.2 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.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2.2 BASIS OF CONSOLIDATION continued

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.

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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, a gain or loss is recognised 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. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted 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, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of the Company’s subsidiaries as at 30 June 2022 and 31 December 2021 are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Percentage of holding	
			30 June 2022	31 December 2021
			%	%
Al Qudra Real Estate LLC	Real estate management.	United Arab Emirates	100	100
Al Qudra Holding – Syria	General investment.	Syrian Arab Republic	100	100
Al Qudra Real Estate	Real estate management.	Syrian Arab Republic	100	100
Al Qudra Trading LLC	Commercial project investment.	United Arab Emirates	100	100

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	Principal activity	Country of incorporation	Percentage of holding	
			30 June 2022	31 December 2021
			%	%
Ain Al Fayda Real Estate LLC	Real estate management.	United Arab Emirates	100	100
Q Scape Komtec LLC	Building Maintenance and landscaping	United Arab Emirates	-	51
Buhyarat Ain Al Fayda Real Estate LLC	Real estate management.	United Arab Emirates	100	100
Manarah Bay Real Estate	Real estate management.	United Arab Emirates	100	100
Q International Limited	General Investment.	United Arab Emirates	100	100
Al Qudra Services LLC**	Environmental plants maintenance.	United Arab Emirates	-	100
Al Qudra and Ravago Investment LLC**	General investment	United Arab Emirates	-	100
Al Qudra General Trading Establishment	Commercial project investment	United Arab Emirates	100	100
Q For Commercial Markets Management	Setup, Ownership and development of commercial Market, Parks and entertainment facilities	United Arab Emirates	60	60
Q Link Transport	Transportation.	United Arab Emirates	85	85
Q Car Park LLC *	Developing, operating, renting and equipping of car parking.	United Arab Emirates	50	50
Q Active for Technologies LLC	Telecommunication system installation and maintenance.	United Arab Emirates	51	51
ABNIA for Industrial Holding LLC*	Activities of cement, glass, iron, wood and electromechanical industries.	United Arab Emirates	50	50
Al Qudra Belarus Ltd.	General Investment.	Republic of Belarus	100	100
Al Qudra Holding – Yemen	General Investment.	Republic of Yemen	100	100
Al Qudra Holding Industrial LLC	Consultancy in alternative power and industrial projects.	United Arab Emirates	100	100
Q Parks Establishment	Touristic resort management & entertainment investment.	United Arab Emirates	100	100
Al Qudra Health Care LLC	Health care & hospitality.	United Arab Emirates	100	100

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	Principal activity	Country of incorporation	Percentage of holding	
			30 June 2022 %	31 December 2021 %
QP International LLC	Project Management.	United Arab Emirates	60	60
Al Rayan Investment PSC	Develop, manage and invest in real estate enterprises.	United Arab Emirates	99.97	99.97
Construction Workers Residential City LLC	Real Estate Investment.	United Arab Emirates	65	65
Moon Flower Real Estate Development LLC	Real Estate Investment.	United Arab Emirates	100	100
Green Precast Systems Technology LLC	General Contracting.	United Arab Emirates	100	100
Earth Care Agricultural Products LLC	Agriculture Business.	United Arab Emirates	100	100
Apex Residential LLC	Real Estate Investment.	United Arab Emirates	100	100
Al Rayan Global Real Estate LLC	Real Estate Investment.	United Arab Emirates	100	100
Q construction LLC	General contracting.	United Arab Emirates	100	100
Radiant & Moonflower Real Estate Development LLC	Real Estate Investment.	United Arab Emirates	65	65
Al Qudra Holding – Morocco	General investment	Morocco	100	100
Smart Hotel Management	Hotel management	Morocco	100	100
Smart Hotel Properties	Hotel management	Morocco	100	100
Kasr Al Bahr	Hospitality.	Morocco	100	100
Atlantic Coast Hospitality	General investment.	Morocco	100	100
Al Qudra Facilities Management LLC	Cleaning and general maintenance for buildings and establishments management services	United Arab Emirates	100	100
Danat Facility Management LLC	Facilities management service	United Arab Emirates	100	100
Al Qudra for Agricultural and Development LLC	Agricultural development	United Arab Emirates	100	100
Envo Scape LLC	Irrigation network contracting, constructing, maintaining parks and landscape design and planning activities	United Arab Emirates	100	100
Q General Investment Ltd	British Virgin Islands	United Arab Emirates	100	100
Al Qudra New Line Oil & Gas LLC**	Oil and gas and maintenance	United Arab Emirates	-	50
Q Energy LLC	Oil & Gas equipment installation and maintenance services.	United Arab Emirates	60	60
Al Qudra Education LLC**	Education Services	United Arab Emirates	-	100
Al Qudra Holding -Algeria	General Investments	Algeria	100	100
Al Qudra Holding International LLC	Industrial Enterprises and financial management.	United Arab Emirates	100	100
Emirates Simulation Academy LLC	Construction, Operation management and development of training centre	United Arab Emirates	60	60

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	Principal activity	Country of incorporation	Percentage of holding	
			30 June 2022 %	31 December 2021 %
Winds Laundry – Sole Proprietorship LLC	Laundry services	United Arab Emirates	100	100
Al Qudra Holding Offshore	Holding Company.	Morocco	100	100
Q Investment RSC Ltd.	Real Estate Investment.	United Arab Emirates	100	100
Q Malls – Sole Proprietorship LLC	Real Estate Lease and Management	United Arab Emirates	100	100
Barary Ain Al Fayda Real Estate LLC	Real estate management.	United Arab Emirates	100	100
Al Tamouh Investments Company LLC	Real estate management	United Arab Emirates	100	100
Wadi Adventures LLC	Adventure Park	United Arab Emirates	100	100
Green Mubazzarah Chalets LLC	Resort and furnished residences leasing	United Arab Emirates	100	100
Tamouh National Contracting LLC	Building projects contracting	United Arab Emirates	51	51
Arch Models Abu Dhabi LLC	Designing and constructing architectural models	United Arab Emirates	60	60
TSL Properties LLC	Real estate management.	United Arab Emirates	100	100
Island Villas LLC	Real estate management.	United Arab Emirates	100	100
Marina Square Community Real Estate LLC	Real estate management.	United Arab Emirates	100	100
Team Builders LLC	Real estate management.	United Arab Emirates	51	51
Reem Hills - Sole Proprietorship LLC	Real estate management.	United Arab Emirates	100	-
Q Properties L.L.C.	Real estate management.	United Arab Emirates	100	-
Q Companies Management L.L.C.	Real estate management.	United Arab Emirates	100	-
Q Hospitality L.L.C.	Real estate management.	United Arab Emirates	100	-
Reem Investments P S C	Real estate management.	United Arab Emirates	100	-
Reem Developers - Sole Proprietorship L.L.C.	Real estate management.	United Arab Emirates	100	-
Reem for Energy Investment Services - Sole Proprietorship L.L.C.	Oil and gas projects	United Arab Emirates	100	-
Discontinued operations				
Paragon Malls LLC	Ownership and leasing of retail property	United Arab Emirates	100	100
Dana Hospitality LLC	Hotel Management service	United Arab Emirates	100	100

*Although, the Group owns 50% of the outstanding shares of, 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 period ended 30 June 2022, the Group has liquidated these subsidiaries.

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 2021, except for the adoption of the following new standards effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter;
- IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities;
- IAS 41 Agriculture - Taxation in fair value measurements;
- Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract;
- Amendments to IFRS 3: Reference to the Conceptual Framework; and
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use.

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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgements estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgements estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgements are currently evaluated and are based on historical experience and others factors.

In preparing these interim condensed consolidated financial statements, the significant judgements, estimates and assumptions 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 2021.

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.

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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

Some of the Group’s financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<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 2022 (Unaudited)</i>				
<i>Financial assets held at fair value through profit or loss</i>				
Quoted shares	2,840,617	-	-	2,840,617
Unquoted shares	-	-	49,364	49,364
Managed Funds	-	262,667	-	262,667
	<u>2,840,617</u>	<u>262,667</u>	<u>49,364</u>	<u>3,152,648</u>
<i>Financial assets held at fair value through other comprehensive income</i>				
Quoted shares	51,716	-	-	51,716
Unquoted shares	-	314,058	70,602	384,660
	<u>51,716</u>	<u>314,058</u>	<u>70,602</u>	<u>436,376</u>
<i>At 31 December 2021 (Audited)</i>				
<i>Financial assets at fair value through profit or loss</i>				
Quoted shares	62,383	-	-	62,383
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted shares	55,687	-	-	55,687
Unquoted shares	-	341,098	70,772	411,870
	<u>55,687</u>	<u>341,098</u>	<u>70,772</u>	<u>467,557</u>

During the six months period ended 30 June 2022, 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2022</i> <i>AED ‘000</i>	<i>2021</i> <i>AED ‘000</i>	<i>2022</i> <i>AED ‘000</i>	<i>2021</i> <i>AED ‘000</i>
Revenue from contracts with customers	22,041	19,287	64,080	68,245
Revenue from hotel services	4,605	11,732	4,755	11,732
Revenue from sale of plots	-	948	159,600	948
	<u>26,646</u>	<u>31,967</u>	<u>228,435</u>	<u>80,925</u>
<i>Timing of revenue recognition</i>				
Services transferred at a point in time	4,605	12,680	164,355	12,680
Services transferred over time	22,041	19,287	64,080	68,245
	<u>26,646</u>	<u>31,967</u>	<u>228,435</u>	<u>80,925</u>

Geographical markets

All revenues are generated significantly from the United Arab Emirates.

6 STAFF COSTS

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2022</i> <i>AED ‘000</i>	<i>2021</i> <i>AED ‘000</i>	<i>2022</i> <i>AED ‘000</i>	<i>2021</i> <i>AED ‘000</i>
Salaries and other benefits	14,842	18,542	29,717	36,288
Provision for employees’ end of service benefits	830	774	1,325	858
	<u>15,672</u>	<u>19,316</u>	<u>31,042</u>	<u>37,146</u>

7 FINANCE COSTS, NET

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2022</i> <i>AED ‘000</i>	<i>2021</i> <i>AED ‘000</i>	<i>2022</i> <i>AED ‘000</i>	<i>2021</i> <i>AED ‘000</i>
Interest on bank borrowings	27,185	14,655	41,438	48,039
Profit Rate Swap settlement	-	-	31,715	-
Interest expense on lease liabilities	1,496	1,516	2,992	3,031
Interest Income	(1,907)	(15)	(1,907)	(15)
	<u>26,774</u>	<u>16,156</u>	<u>74,238</u>	<u>51,055</u>

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

8 SEASONALITY OF OPERATIONS

The results for the period ended 30 June 2022 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 month period ended 30 June 2022 are not necessarily indicative of the results that might be expected for the year ending 31 December 2022.

9 PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 30 June 2022, the Group made additions to various property, plant and equipment with a cost of AED 27,015 thousand (31 December 2021: AED 18,724 thousand). The depreciation charge for the six month period amounted to AED 8,209 thousand (30 June 2021: AED 11,397 thousand), net disposal for the six month period amounted to AED 12,866 thousand (31 December 2021: AED nil) and net effect of movement in exchange rates is loss of AED 10,753 thousand (31 December 2021: gain of AED 125 thousand).

In addition, during the six month period ended 30 June 2022, the Group capitalised interest expense amounting to AED 5,001 thousand (31 December 2021: AED nil) on settlement of profit rate swap to property, plant and equipment. Moreover, the Group recorded an impairment provision of AED 36,253 thousand (31 December 2021: AED nil) on capital work in progress and capital work in progress amounting to AED 137,215 thousand (31 December 2021: AED nil) has been transferred to assets held for sale in line with the requirements of IFRS 5 “Non-current Assets Held For Sale and Discontinued Operations” as the Group has resolved to sell the related capital work in progress and not continue with its original intended use.

During the six months period ended 30 June 2022, the Group made additions to property, plant and equipment with a net book value of AED 10,315 thousand (31 December 2021: AED nil) on account of a business combination (refer note 10.1).

10 BUSINESS COMBINATIONS

10.1 Acquisitions Under IFRS 3 Business Combination

During the period, the Group acquired the following entity, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Reem Investments PJSC and its subsidiaries (Reem Investments)

Effective 2 June 2022, the Group, acquired a 100% interest in Reem Investments for a total consideration of AED 5,807,327 thousand. Reem Investments PJSC is a private joint stock company incorporated in Abu Dhabi United Arab Emirates on 29 May 2005 and is engaged in real estate development and the sale and investment in real estate and securities in the UAE and abroad. Reem Investments contributed revenue and loss to the Group amounting to AED 3,130 thousand and AED 254,195 thousand respectively. If the acquisition had taken place at the beginning of the year, Reem Investments would have contributed revenue and profit to the Group amounting to AED 82,344 thousand and AED 6,457 thousand, respectively.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

10 BUSINESS COMBINATIONS continued

10.1 Acquisitions Under IFRS 3 Business Combination continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	<i>AED'000</i>
Assets	
Property, plant and equipment	10,315
Investment properties	1,878,592
Development work in progress	5,189
Inventory properties	1,358,549
Amount due from related parties	7,960
Investments held at fair value through profit or loss	3,346,256
Trade and other receivables	388,043
Cash and bank balances	<u>408,700</u>
Total assets	<u>7,403,604</u>
Liabilities	
Provision for employees' end of service benefit	2,272
Loans and borrowings	147,695
Amounts due to related parties	9,973
Trade and other payables	<u>204,527</u>
Total liabilities	<u>364,467</u>
Total identifiable net assets at fair value	<u>7,039,137</u>
Provisional bargain purchase gain	<u>1,231,810</u>
Purchase consideration against the issuance of shares	<u>5,807,327</u>

Purchase consideration comprises share capital of AED 1,347,408 thousand (1,347,408 shares of AED 1 each) and share premium of AED 4,459,919 thousand which was determined using a share swap ratio of 17.33 shares of the Company against each share of Reem Investments as agreed in the share purchase agreement entered into between the Company and Reem Investments.

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation before the end of 2022.

10.2 Disposal of a subsidiary

Effective 31 May 2022, the Group disposed of its entire ownership interest in Q Scape Komtec LLC (“Company”) for a consideration of AED Nil. Consequently, it has been excluded from the consolidated financial statements as a subsidiary from the date of disposal.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

10 BUSINESS COMBINATIONS continued

10.2 Disposal of a subsidiary continued

The carrying value of the identifiable asset and liabilities disposed off on the date of sale are as follows:

	<i>AED'000</i>
Assets	
Property and equipment	55
Trade and other receivables	17,986
Amount due from related parties	1,182
Bank balances and cash	<u>211</u>
Total assets	<u>19,434</u>
Liabilities	
Employees' end of service benefits	399
Accounts payable and accruals	238
Amounts due to related parties	<u>17,117</u>
Total liabilities	<u>17,754</u>
Total identifiable net assets at fair value	1,680
Proportionate net assets	857
Consideration received on disposal	<u>-</u>
Loss on disposal	(857)
Impairment on balance due from Q Scape Komtec LLC	<u>(15,922)</u>
Total loss on disposal	<u>(16,779)</u>

The results of the Q Scape Komtec LLC included in the consolidated statement of profit or loss are set out below.

	<i>1 January 2022 to 31 May 2022 AED'000</i>	<i>31 December 2021 AED'000</i>
Revenue	26	4,717
Cost of services sold	(699)	(6,848)
General and administrative expenses	(554)	(3,037)
Finance costs	<u>(3)</u>	<u>(14)</u>
LOSS FROM DISCONTINUED OPERATIONS	<u>(1,230)</u>	<u>(5,182)</u>
<i>Attributable to:</i>		
Equity holders of the Company	(627)	(2,643)
Non-controlling interest	<u>(603)</u>	<u>(2,539)</u>
	<u>(1,230)</u>	<u>(5,182)</u>

The results of the operations of Company were not segregated on the face of the interim consolidated statement of profit or loss, as the amounts are insignificant.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

11 INVESTMENT PROPERTIES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Properties under development	992,823	1,143,882
Labour camps	2,921,199	2,921,199
Land	1,138,159	1,105,740
Buildings	<u>2,425,145</u>	<u>1,390,053</u>
	<u>7,477,326</u>	<u>6,560,874</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 2021. 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.

During the six month period ended 30 June 2022, the Group recorded a fair value loss of AED 260,768 thousand (31 December 2021: AED nil) on certain properties under development based on an internal assessment performed by management. Subsequently, properties under development amounting to AED 734,090 thousand (31 December 2021: AED nil) have been transferred to assets held for sale in line with the requirements of IFRS 5 “Non-current Assets Held For Sale and Discontinued Operations” as the Group has resolved to sell the related properties under development and not continue with its original intended use.

During the six month period ended 30 June 2022, the Group capitalised interest expense amounting to AED 16,003 thousand (31 December 2021: AED nil) on settlement of profit rate swap to properties under development. Further, the Group made additions to properties under development with a cost of AED 38,008 thousand (31 December 2021: AED 124,286 thousand).

During the six months period ended 30 June 2022, on account of acquisition of a subsidiary, the Group made addition of AED 1,878,592 thousand (31 December 2021: AED nil) out of which AED 789,960 thousand pertains to properties under development, AED 52,122 thousand pertains to land and AED 1,036,510 thousand relates to Building (refer note 10.1).

12 INVESTMENTS

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Investments held at fair value through other comprehensive income	436,376	467,557
Investments held at fair value through profit or loss	<u>3,152,648</u>	<u>62,383</u>
	<u>3,589,024</u>	<u>529,940</u>

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12 INVESTMENTS continued

Investments at fair value through other comprehensive income comprise:

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Quoted equity securities inside UAE	51,716	55,687
Unquoted equity securities inside UAE	<u>384,660</u>	<u>411,870</u>
	<u>436,376</u>	<u>467,557</u>

Investments held at fair value through profit and loss comprise:

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
<i>Inside UAE</i>		
Quoted equity securities	2,650,347	62,383
Unquoted equity securities	15,530	-
Managed funds and bonds	<u>31,893</u>	<u>-</u>
	<u>2,697,770</u>	<u>62,383</u>
<i>Outside UAE</i>		
Quoted equity securities	190,270	-
Unquoted equity securities	11,880	-
Managed funds and bonds	<u>252,728</u>	<u>-</u>
	<u>454,878</u>	<u>-</u>
	<u>3,152,648</u>	<u>62,383</u>

The movement in investments held at fair value through other comprehensive income is as follows:

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
At the beginning of the period / year	467,557	431,721
Acquired in business combinations	-	54,151
Change in fair value	<u>(31,181)</u>	<u>(18,315)</u>
At the end of the period / year	<u>436,376</u>	<u>467,557</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

12 INVESTMENTS continued

The movement in investments held at fair value through profit and loss is as follows:

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
At the beginning of the period / year	62,383	-
Purchases during the period / year	12,871	37,633
Acquired in business combinations (note 10.1)	3,346,256	-
Disposal during the period / year	(19,080)	-
Change in fair value	<u>(249,782)</u>	<u>24,750</u>
At the end of the period / year	<u>3,152,648</u>	<u>62,383</u>

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. The Group has purchases of shares amounting to AED 12,871 thousand and disposals of shares amounting to AED 19,080 thousand during the six month period ended 30 June 2022.

13 INVENTORY PROPERTIES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
At the beginning of the period / year	7,509	1,039
Additions during the period, net	(22)	1,030
Acquired in business combination (note 10.1)	<u>1,358,549</u>	<u>5,440</u>
	<u>1,366,036</u>	<u>7,509</u>

Inventory properties comprise completed properties held for sale in the ordinary course of business. Inventory properties are stated at the lower of cost and net realizable value.

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14 TRADE AND OTHER RECEIVABLES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Trade receivables	646,881	392,931
Unbilled revenue	66,045	32,179
Less: allowance for expected credit loss on trade receivables	<u>(42,572)</u>	<u>(34,686)</u>
	670,354	390,424
Advances to contractors	64,023	36,385
Retention receivables	43,923	45,554
Prepayments and other advances	20,637	12,640
Other receivables	47,005	54,667
Less: allowance for expected credit loss on advances and other receivables	<u>(6,035)</u>	<u>(6,035)</u>
	<u>839,907</u>	<u>533,635</u>
Non-current	425,282	127,803
Current	<u>414,625</u>	<u>405,832</u>
	<u>839,907</u>	<u>533,635</u>

Expected credit loss of AED 48,607 thousand (31 December 2021: AED 40,721 thousand) is recorded against trade and other receivables as at 30 June 2022.

15 DEVELOPMENT WORK IN PROGRESS

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Reem Island (i)	1,073,077	1,042,909
Al Sadu Project -Abu Dhabi (ii)	379,733	379,701
Barary Ain Al Fayda (iii)	203,471	125,159
Others	<u>42,402</u>	<u>42,402</u>
	1,698,683	1,590,171
Impairment allowance	<u>(537,277)</u>	<u>(387,359)</u>
	<u>1,161,406</u>	<u>1,202,812</u>

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15 DEVELOPMENT WORK IN PROGRESS continued

Movement in provision for impairment is as follows:

	<i>30 June 2022 AED'000</i>	<i>31 December 2021 AED'000</i>
At the beginning of the period / year	387,359	42,062
Charge for the period / year	175,789	143
Reversal during the period / year	(25,871)	-
Acquired in business combination	<u>-</u>	<u>345,154</u>
At the end of the period / year	<u><u>537,277</u></u>	<u><u>387,359</u></u>

Development work in progress represents development, design and construction costs incurred on assets under construction. As at the reporting date, the development work in progress is in a usable condition and no further impairment exists except an amount of AED 175,789 thousand charged during the six months period ended 30 June 2022.

- (i) Development work in progress represents development and construction costs incurred on properties being constructed for sale.
- (ii) The Group has a plot of land located in Al Reem Island, Abu Dhabi. The plot will be used to construct residential units for resale to individuals.
- (iii) The Group has a plot of land located in Al Ain, Abu Dhabi. The plot will be used to construct residential units for resale to individuals.

16 CASH AND BANK BALANCES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Current and call accounts	490,335	1,003,316
Term deposits	880,893	662,000
Margin deposits	<u>10,029</u>	<u>3,339</u>
Cash and bank balances	1,381,257	1,668,655
Less: term deposits with an original maturity of more than three months	(313,893)	(12,000)
Less: margin deposits with an original maturity of more than three months	(10,029)	(3,339)
Less: bank overdrafts	<u>-</u>	<u>(3,100)</u>
	1,057,335	1,650,216
Add: cash and bank balances attributable to discontinued operations	<u>2,048</u>	<u>2,048</u>
Cash and cash equivalents	<u><u>1,059,383</u></u>	<u><u>1,652,264</u></u>

Term deposits are placed with commercial banks. These are mainly denominated in the AED and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

17 SHARE CAPITAL

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
<i>Authorised, issued and fully paid</i>		
6,855,598,886 shares of AED 1 each		
(2021: 5,508,191,386 shares of AED 1 each)	<u>6,855,599</u>	<u>5,508,191</u>

During the six months period ended 30 June 2022, Group acquired a 100% interest in Reem Investments for a purchase consideration of AED 5,807,327 thousand which comprise of 1,347,408 thousand shares of AED 1 each which increased the share capital of the Group by AED 1,347,408 thousand and share premium of AED 4,459,919 thousand. (refer note 10.1)

18 TRADE AND OTHER PAYABLES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Trade payables	289,333	223,541
Advance from customers	747,330	854,462
Deferred revenue	448,173	422,156
Provision for infrastructure construction cost	239,737	236,226
Retention payables	115,657	122,360
Accrued expenses	43,824	20,758
Dividend payable	24,617	12,431
Other payables	<u>123,851</u>	<u>104,707</u>
	<u>2,032,522</u>	<u>1,996,641</u>
Non-current	31,435	28,707
Current	<u>2,001,087</u>	<u>1,967,934</u>
	<u>2,032,522</u>	<u>1,996,641</u>

19 LOANS AND BORROWINGS

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Term loans	1,646,806	527,036
Islamic financing facilities	<u>212,598</u>	<u>1,793,050</u>
	<u>1,859,404</u>	<u>2,320,086</u>
Bank overdrafts*	-	<u>3,100</u>
	<u>1,859,404</u>	<u>2,323,186</u>

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

19 LOANS AND BORROWINGS continued

During the six months period ended 30 June 2022, the Group has settled certain Islamic financing facilities and availed a new term loan for an amount of AED 1,050,000 thousand. The new term loan is secured by mortgage and pledge of assets and assignment of rental proceeds. The facility carries an interest rate of 3.32% per annum and is repayable in semi - annual instalments of AED 65 million each, starting from 30 June 2022 up to 31 December 2028 with a bullet repayment in 2028. The other facilities are taken from banks in the UAE and are repayable in quarterly and semi-annual instalments of various amounts.

*The bank overdrafts are repayable on demand and are secured against certain investments.

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Non-current	1,660,303	2,119,634
Current portion	<u>199,101</u>	<u>203,552</u>
	<u>1,859,404</u>	<u>2,323,186</u>

20 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as defined in International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group’s management.

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

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
<i>Amounts due from related parties:</i>		
Projects International Dubai	6,868	6,868
Connection Real Estate	5,905	5,905
Al Qudra Sports Management LLC	2,276	4,332
SKM -Q LLC	3,635	3,635
Entities under common control	406,275	375,932
Others	<u>1,840</u>	<u>2,118</u>
	426,799	398,790
Provision for expected credit losses	<u>(286,101)</u>	<u>(286,101)</u>
	<u>140,698</u>	<u>112,689</u>

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

20 RELATED PARTY BALANCES AND TRANSACTIONS continued

	<i>30 June</i> 2022 <i>AED '000</i> <i>(Unaudited)</i>	<i>31 December</i> 2021 <i>AED '000</i> <i>(Audited)</i>
<i>Amounts due to related parties:</i>		
Center for Excellence for Applied Research and training	28,256	28,256
Lootah BCGas	8,467	8,467
Salvatkore Sakr	8,277	8,277
GSE Power Systems, Inc	8,065	8,065
Emirates Link Group	4,661	4,661
Entities under common control	430,428	428,327
Others	<u>70</u>	<u>90</u>
	<u>488,224</u>	<u>486,143</u>

Transactions with related parties included in the interim consolidated statement of profit or loss are as follows:

	<i>Three months ended</i> 30 June		<i>Six months ended</i> 30 June	
	2022 <i>AED '000</i>	2021 <i>AED '000</i>	2022 <i>AED '000</i>	2021 <i>AED '000</i>
Sales	5,763	1,312	10,159	1,312
Purchases	20,702	-	33,928	-

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended</i> 30 June		<i>Six months ended</i> 30 June	
	2022 <i>AED '000</i>	2021 <i>AED '000</i>	2022 <i>AED '000</i>	2021 <i>AED '000</i>
Management compensation	2,126	2,360	4,390	5,845
Employees' end of service benefits	<u>48</u>	<u>701</u>	<u>510</u>	<u>1,402</u>
	<u>2,174</u>	<u>3,061</u>	<u>4,900</u>	<u>7,247</u>

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

21 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of shares outstanding during the period.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Profit attributable to ordinary equity holders of the parent (AED ‘000)	<u>525,772</u>	<u>44,342</u>	<u>653,353</u>	<u>37,155</u>
Weighted average number of ordinary shares issued (shares in ‘000)	<u>5,942,356</u>	<u>861,838</u>	<u>5,725,274</u>	<u>835,411</u>
Earnings per share (AED)	<u>0.09</u>	<u>0.05</u>	<u>0.11</u>	<u>0.04</u>

22 CONTINGENCIES AND COMMITMENTS

	<i>30 June 2022 AED’000 (Unaudited)</i>	<i>31 December 2021 AED’000 (Audited)</i>
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Contingencies:

As at reporting date, the following contingent liabilities were outstanding:

Bank guarantees	<u>167,384</u>	<u>257,528</u>
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Capital commitments:

As at reporting date, the capital commitments relate to the following:

Construction of Infrastructure	<u>443,358</u>	<u>358,349</u>
Investment commitments	<u>19,037</u>	<u>-</u>

23 SEGMENT REPORTING

For operating purposes, the Group is organised into business segments as follows:

Real estate includes the district cooling and air conditioning, investment in infrastructure projects, landscaping design and execution and sale of properties.

Hospitality includes commercial and contracting services contract relates to hotel business.

Labour accommodation includes providing services with respect to labour camp rental, management services, sale of food and cafeteria items.

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

23 SEGMENT REPORTING continued

Investments include the financial investments in equity securities, managed funds, bonds and other investments and securities within UAE and abroad.

Others (unallocated) includes head office expenses, income and other assets and liabilities not allocated to any segment.

	<i>Real estate AED'000</i>	<i>Hospitality AED'000</i>	<i>Labour Accomo- dation AED'000</i>	<i>Investments AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Six month period ended						
30 June 2022 (Unaudited)						
Income	242,450	4,755	156,348	31,255	26	434,834
Expenses	<u>(98,902)</u>	<u>(7,545)</u>	<u>(61,081)</u>	<u>-</u>	<u>(1,230)</u>	<u>(168,758)</u>
	143,548	(2,790)	95,267	31,255	(1,204)	266,076
Depreciation and amortization	(2,555)	(544)	(5,272)	-	(5)	(8,376)
Depreciation on right-of-use-assets	-	-	(1,700)	-	-	(1,700)
Finance costs, net	(52,745)	-	(23,395)	1,906	(4)	(74,238)
Provision for impairment on non-financial assets	(472,810)	-	-	-	-	(472,810)
Loss on investments held at fair value through profit or loss	-	-	-	(249,782)	-	(249,782)
Share of loss on investment in joint ventures and associates	-	-	-	(598)	-	(598)
Loss on disposal /liquidation of investment in subsidiaries, net	-	-	-	-	(14,329)	(14,329)
Provisional bargain purchase gain on acquisition of a subsidiary	<u>1,231,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,231,810</u>
Net segment results	<u>847,248</u>	<u>(3,334)</u>	<u>64,900</u>	<u>(217,219)</u>	<u>(15,542)</u>	<u>676,053</u>
Six month period ended						
30 June 2021 (Unaudited)						
Income	28,760	11,732	165,318	29,601	7,887	243,298
Expenses	<u>(42,234)</u>	<u>(10,668)</u>	<u>(55,357)</u>	<u>-</u>	<u>(8,025)</u>	<u>(116,284)</u>
	(13,474)	1,064	109,961	29,601	(138)	127,014
Depreciation and amortization	(6,146)	(431)	(4,765)	-	(55)	(11,397)
Depreciation on right-of-use-assets	-	-	(1,722)	-	-	(1,722)
Finance costs, net	(18,593)	(16)	(32,448)	15	(13)	(51,055)
Share of profit from investment in associates and joint ventures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>
Net segment results	<u>(38,213)</u>	<u>617</u>	<u>71,026</u>	<u>29,622</u>	<u>(206)</u>	<u>62,846</u>

Q Holding PSC (formerly “Al Qudra Holding PJSC”) and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

23 SEGMENT REPORTING continued

	<i>Real estate AED'000</i>	<i>Hospitality AED'000</i>	<i>Labour Accomo- dation AED'000</i>	<i>Investments AED'000</i>	<i>Others AED;000</i>	<i>Total AED'000</i>
<i>As at 30 June 2022 (Unaudited)</i>						
Segment assets	<u>10,860,479</u>	<u>213,262</u>	<u>3,712,134</u>	<u>3,625,737</u>	<u>199,586</u>	<u>18,611,198</u>
Segment liabilities	<u>2,638,709</u>	<u>304,539</u>	<u>1,333,229</u>	<u>27,609</u>	<u>209,572</u>	<u>4,513,658</u>
<i>At 31 December 2021 (Audited)</i>						
Segment assets	<u>7,639,355</u>	<u>194,943</u>	<u>3,704,568</u>	<u>569,289</u>	<u>472,390</u>	<u>12,580,545</u>
Segment liabilities	<u>2,677,264</u>	<u>196,440</u>	<u>1,377,833</u>	<u>-</u>	<u>684,022</u>	<u>4,935,559</u>

24 COMPARATIVES

Certain comparative figures have been reclassified in the notes to the interim condensed consolidated statement of financial position and interim condensed consolidated statement of comprehensive income to confirm to the current period's presentation. These reclassifications have no impact on previously reported profit or equity of the Group.