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

DOHA – STATE OF QATAR

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED
JUNE 30, 2022
TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

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Russell Bedford
taking you further

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS
ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY KNOWN AS INVESTMENT HOLDING GROUP Q.P.S.C.)
DOHA – STATE OF QATAR

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Estithmar Holding Q.P.S.C. (formerly known as Investment Holding Group Q.P.S.C.) (the "Company" or "legal parent") and its subsidiaries (together referred to as the "Group"), which comprise the interim consolidated statement of financial position as of June 30, 2022, and related interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-months period ended June 30, 2022, and related explanatory notes.

Management's responsibility for the interim condensed consolidated financial statements

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

Scope of review

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

Conclusion

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

Other matter

The accompanying consolidated financial statements for the six months period ended June 30, 2021, include the results of operations of Elegancia Group W.L.L. (the "Legal Subsidiary") and its subsidiaries (together referred to as the "Elegancia Group"), were audited by another independent auditor who issued unmodified opinion on October 28, 2021.

For Russell Bedford & Partners
Certified Public Accountants

Russell Bedford & Partners Certified Public Accountants
Russell Bedford taking you further
CR No. 143061 | Doha, State of Qatar
راسل بدفورد وشركاه

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

Doha, Qatar
August 11, 2022

ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY KNOWN AS INVESTMENT HOLDING GROUP Q.P.S.C.)
DOHA – STATE OF QATAR

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022

	Notes	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
ASSETS:			
Non-current assets:			
Property, plant and equipment	6	899,525,435	802,753,835
Investment properties		90,756,433	87,919,541
Intangible assets		4,727,172	5,572,916
Right of use assets	7 a	63,499,869	27,951,550
Retention receivable	8	44,029,316	18,060,678
Goodwill	29 b	3,240,035,090	-
Financial assets at fair value through profit or loss	9	31,000,000	-
Total non-current assets		**4,373,573,315**	**942,258,520**
Current assets:			
Inventories	10	328,812,963	383,246,139
Retention receivables	8	84,783,103	39,041,615
Contract assets	11	804,903,334	385,579,602
Trade and other receivables balances	12	1,203,112,428	875,491,008
Due from related parties	13	484,827,867	475,810,381
Cash and bank balances	14	233,793,687	41,445,057
Total current assets		**3,140,233,382**	**2,200,613,802**
TOTAL ASSETS		**7,513,806,697**	**3,142,872,322**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' equity:			
Share capital	15	3,404,037,500	10,000,000
Legal reserve	16	54,916,662	54,916,662
Other reserve		3,923,960	3,923,960
Retained earnings		866,448,767	694,793,264
Attributable to equity holder of the Parent Company		**4,329,326,889**	**763,633,886**
Non-controlling interests		2,081,684	4,004,578
Total equity		**4,331,408,573**	**767,638,464**
Non-current liabilities:			
Provision for employees' end of service benefits	17	115,442,735	86,946,928
Loans and borrowings	18	659,864,005	336,166,817
Loan from a related party		28,322,706	27,829,521
Lease liability	7 b	46,176,562	18,433,636
Retention payable		1,312,470	-
Total non-current liabilities		**851,118,478**	**469,376,902**
Current liabilities:			
Due to related parties	13	102,463,477	93,035,002
Contract liabilities	11	40,372,985	117,172,226
Loans and borrowings	18	541,817,356	391,771,975
Lease liability	7 b	11,343,990	2,131,962
Bank overdraft	14	176,502,244	199,473,655
Trade and other payable balances	19	1,458,779,594	1,102,272,136
Total current liabilities		**2,331,279,646**	**1,905,856,956**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,513,806,697**	**3,142,872,322**

These interim consolidated financial statements were approved by the Board of Directors and signed on their behalf by the following on August 11, 2022:

Russell Bedford & Partners Certified Public Accountants FOR IDENTIFICATION PURPOSES ONLY C.R. No.: 145061 | Doha - State of Qatar راسل بدفورد وشركاه

Ramez Mohamed Ruslan Al Khayyat
Vice Chairman

Henrik Christiansen
Group CEO

The accounting policies and notes as set out in pages 05 to 27 form an integral part of these interim condensed consolidated financial statements.

MD

ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY KNOWN AS INVESTMENT HOLDING GROUP Q.P.S.C.)
DOHA – STATE OF QATAR

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

	Notes	For the six-months period ended June 30, 2022 (Reviewed) QAR	2021 (Audited) QAR
Revenue	20	1,852,985,459	1,520,133,236
Cost of operations		(1,590,005,537)	(1,272,669,668)
Gross profit		**262,979,922**	**247,463,568**
Other income		42,552,571	9,261,301
General and administrative expenses	21	(80,986,289)	(57,331,083)
Management fees		(9,325,727)	(2,500,000)
Operating profit for the period		**215,220,477**	**196,893,786**
Finance costs		(24,478,827)	(15,230,451)
Profit from continuing operations		**190,741,650**	**181,663,335**
Profit on discontinuing operations		-	2,351,539
Profit before tax		**190,741,650**	**184,014,874**
Income tax expense		(128,445)	(159,114)
Net profit for the period		**190,613,205**	**183,855,760**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**190,613,205**	**183,855,760**
Total comprehensive income attributable to:			
Shareholders of the Company		192,536,099	182,449,769
Non-controlling interest		(1,922,894)	1,405,991
Total comprehensive income attributable to:		**190,613,205**	**183,855,760**
Basic and diluted earnings per share	22	**0.065**	**0.071**

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The accounting policies and notes as set out in pages 05 to 27 form an integral part of these interim condensed consolidated financial statements.

ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY KNOWN AS INVESTMENT HOLDING GROUP Q.P.S.C.)
DOHA – STATE OF QATAR

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

	Attributable to shareholders of the parent						
	Share capital	Legal reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Balance as at January 01, 2022 (Audited)	10,000,000	54,916,662	3,923,960	694,793,264	763,633,886	4,004,578	767,638,464
Business combination transferred	3,394,037,500	-	-	-	3,394,037,500	-	3,394,037,500
Net profit for the period	-	-	-	192,536,099	192,536,099	(1,922,894)	190,613,205
Share issue costs	-	-	-	(20,880,596)	(20,880,596)	-	(20,880,596)
Balance as at June 30, 2022 (Reviewed)	3,404,037,500	54,916,662	3,923,960	866,448,767	4,329,326,889	2,081,684	4,331,408,573
Issuance of the shares	10,000,000	-	-	-	10,000,000	-	10,000,000
Transfer as a result of business combination under the common control (Note 5)	-	49,916,393	3,923,960	324,114,631	377,954,984	5,109,799	383,064,783
Changes in ownership interest in subsidiary	-	-	-	241,419	241,419	(429,419)	(188,000)
Net profit for the period	-	-	-	182,449,769	182,449,769	1,405,991	183,855,760
Elimination of non controlling interest at disposals of subsidiaries	-	-	-	-	-	454	454
Transferred to legal reserve	-	231,525	-	(231,525)	-	-	-
Dividend distribution	-	-	-	-	-		(4,379,781)
Balance as at June 30, 2021 (Audited)	10,000,000	50,147,918	3,923,960	506,574,294	570,646,172	6,086,825	572,353,216

The accounting policies and notes as set out in pages 05 to 27 form an integral part of these interim condensed consolidated financial statements.

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ESTITHMAR HOLDING Q.P.S.C.
(FORMERLY KNOWN AS INVESTMENT HOLDING GROUP Q.P.S.C.)
DOHA – STATE OF QATAR

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

	Notes	For the six-months period ended June 30, 2022 (Reviewed) QAR	2021 (Audited) QAR
Cash flows from operating activities:			
Net profit for the period		190,613,205	183,855,760
Adjustments for:			
Depreciation of property and equipment	6	42,127,002	19,733,204
Depreciation of investment properties		-	16,850,000
Depreciation of right of use assets	7	6,500,150	7,896,936
Amortization of intangible asset		741,170	408,290
Reversal of provisions for foreseeable losses		-	(811,466)
Gain on disposals of subsidiaries		-	(2,351,539)
Gain on early termination of lease contract		-	(308,260)
Provision for employees' end of service benefits	17	17,146,816	16,373,090
Gain on disposal of property plant and equipment		-	(99,035)
Provision for slow moving inventories		3,822,001	89,451
Provision for realted party balances		303,831	-
Provision for retention receivable		1,873,470	-
Provision for trade and other receivables balances		9,899,250	(606,215)
Interest expenses on lease liabilities		1,279,119	1,866,121
Interest expenses on loan and borrowings		22,706,523	12,546,543
Interest expenses on loan from related parties		493,185	554,943
Operating income before changes in working capital		**297,505,722**	**255,997,823**
Changes in:			
Inventory		50,611,175	(92,280,256)
Trade and other receivables balances		(337,520,670)	142,818,828
Retention receivables		(73,583,596)	(37,436,047)
Contract assets		(419,323,732)	(43,133,070)
Due from related parties		(9,321,317)	-
Due to related parties		9,921,660	-
Retention payable		1,312,470	-
Trade and other payable balances		356,635,903	(17,536,189)
Contract liabilities		(76,799,241)	23,054,298
Cash (used) in/ generated from operating activities		**(200,561,626)**	**231,485,387**
Employees' end of service benefits paid	17	(8,887,672)	(3,021,190)
Interest paid		(24,926,782)	(14,967,607)
Tax income paid		(128,445)	-
Net cash (used) in/ generated from operating activities		**(234,504,525)**	**213,496,590**
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(125,432,643)	(77,952,776)
Acquisition of investment properties		(306,684)	-
Net movement in bank balances restricted as collateral		(299,612)	(232,528)
Net cash flow on business combination		128,809,495	(205,838,099)
Net consideration received from disposal of a subsidiary		-	2,471,125
Consideration paid for the acquisition of non-controlling interest		-	(188,000)
Acquisition of intangible asset		(10,111)	(1,613,413)
Proceeds from disposal of property, plant and equipment		770,791	163,005
Net cash generated from /(used) in investing activities		**3,531,236**	**(283,190,686)**
Cash flows from financing activities			
Issuance of the share		-	10,000,000
Share issue costs		(20,880,596)	-
Net movement in interest bearing loans and borrowings	18	473,742,569	57,407,948
Payment of principal portion of the loan		-	(1,202,508)
Dividend distribution		-	(4,379,781)
Payment of principal portion of lease liabilities		(6,868,255)	(11,047,691)
Net cash generated from financing activities		**445,993,718**	**50,777,968**
Net increase/ (decrease) in cash and cash equivalents		**215,020,429**	**(18,916,128)**
Cash and cash equivalents at the beginning of the period		(159,326,640)	-
Cash and cash equivalents - at end of the period,	14	**55,693,789**	**(18,916,128)**

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

The accounting policies and notes as set out in pages 05 to 27 form an integral part of these interim condensed consolidated financial statements.

1. GENERAL INFORMATION:

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

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

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

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

*According to IFRS 3.33 the most reliable measure in reverse acquisition transactions which acquirer and acquiree exchange only equity interests, is the fair value of legal acquiree at the acquisition date.

It was further resolved by the shareholders of the Company in their Extraordinary General Assembly meeting held on May 29, 2022, to change of the Company's name to "Estithmar Holding Q.P.S.C".

The Group is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices. The Company's official registered office and place of business is located at Street 303, Lusail City, P.O. Box No. 147966, Doha, State of Qatar.

The interim condensed consolidated financial statements as at and for the six months period ended June 30, 2022, comprise the assets, liabilities, and results of operations of below listed subsidiaries. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group:

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			JUNE 30, 2022	DECEMBER 31, 2021
Elegancia Group W.L.L.	The Group is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices.	Qatar	100%	100%

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			JUNE 30, 2022	DECEMBER 31, 2021
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	Provision of facility management and hospitality services, trading and installation of video and audio equipment and planning and organizing public concerts.	Qatar	100%	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	Investment and management of agricultural projects, agricultural consulting, parks management, landscaping, agricultural equipment and material trading, trading of plants and trading of irrigation equipment.	Qatar	100%	100%
Elegancia Human Resources and Contracting W.L.L. (Formerly known as Challenger Trading and Contracting W.L.L.)	General contracting, trading in building materials, building maintenance, electrical contracting, electronic works and manpower supply.	Qatar	100%	100%
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	Electrical and sanitary contracting, installation of electromechanical equipment, installation, maintenance and repair of elevators, fire warning devices, air conditioning and refrigeration system	Qatar	100%	100%
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	Trading of wood and manufacture and trading of wood related products, executing interior and exterior projects including producing ceilings, walls decorations, timber decorations and producing various wooden furniture.	Qatar	100%	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	Production and formation of metals, production of steel sections and production of cable carriers and accessories.	Qatar	100%	100%
Elegancia Steel Trading W.L.L. (Formerly known as Steel Master Limited for Trading W.L.L.)	Fabrication, erection and trading of steel bars which include services for the alteration in the size and shape of the steel bars.	Qatar	100%	100%
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L)	Installation and trading of granite and marble stone, granite sand, machinery and equipment related to granite, industrial and natural stone, ceramic and porcelain stone and building materials.	Qatar	100%	100%

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			JUNE 30, 2022	DECEMBER 31, 2021
Elegancia Gabro Trading and Transport W.L.L. (Formerly known as Gabromix Trading and Transport W.L.L.)	Trading Gabro materials and transport services.	Qatar	100%	100%
Elegancia Catering Services W.L.L.	Providing catering services and ready meals supply and catering for large events and gatherings	Qatar	100%	100%
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	Supply of services across a range of marine industries such as offshore services, marine construction, shipping and acting as a shipping agent.	Qatar	100%	100%
Steel Tech Trading and Contracting W.L.L.	Manufacturing, trading and installation of fabricated doors, conditioning ducts, windows and cabinets.	Qatar	100%	100%
Steel Tech Factory W.L.L.	Manufacturing, trading and installation of fabricated doors, windows, cabinets, and air-conditioning ducts.	Qatar	100%	100%
Elegancia Steel Doors Trading and Contracting W.L.L. (Formerly known as Techno Doors Trading and Contracting W.L.L.)	Manufacturing and installation of fabricated doors.	Qatar	100%	100%
Elegancia Steel Ducts Trading and Contracting W.L.L. (Formerly known as Techno Ducts Trading and Contracting W.L.L.)	Manufacturing, trading and installation of air conditioning ducts.	Qatar	100%	100%
Elegancia Marine Agency W.L.L. (Formerly known as Giants Marine Services W.L.L.)	Providing agency services to vessel owners and marine mediator services.	Qatar	100%	100%
Elegancia Health Care W.L.L.	Providing management consulting services, facility management services, management and operating of professional labour.	Qatar	100%	100%
The View Hospital - W.L.L.	The main activities of the Company are executing specialized health centers related to health and beauty, skin diseases, single day surgery, treatment by laser, eyes diseases, nose ear and throat, urinary channels, birth and microscopic injection, diet, dermatology and a general hospital.	Qatar	100%	100%

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			JUNE 30, 2022	DECEMBER 31, 2021
Korean Medical Center W.L.L.	The main activities of the business consist of executing special health centers for dermatologists, nose, ear and throat, single day surgery, skin diseases, diet, medical laboratories, family medicine, Chinese acupuncture, physical therapy, internal, urinary channels, eyes diseases, treatment by laser, helping to giving birth and microscopic injection, health and beauty, diagnostic x-ray laboratory, diabetics, endocrine glands, diagnostic x- ray, pediatrics and spinal column and teeth complex.	Qatar	100%	100%
Elegancia Kitchens For Kitchen Equipments Trading and Maintenance W.L.L.	Trade in heating equipment, maintenance of kitchen and restaurant equipment	Qatar	100%	100%
Elegancia Ventures Real Estate Development W.L.L.	Construction and general contracting, execution of internal design works, interiors design activities and building materials trade.	Qatar	100%	100%
Elegancia Design for Trading and Contracting W.L.L.	Construction and general contracting, execution of internal design works, interiors design activities and building materials trade.	Qatar	100%	100%
Yemek Doha Catering Services W.L.L.	Providing catering services and ready meals supply and catering for large events and gatherings.	Qatar	95%	95%

Furthermore, these interim condensed consolidated financial statements comprise the assets, liabilities and result of the operations of the legal parent and its subsidiaries below listed as at June 30, 2022 and for the period from April 12, 2022 to June 30, 2022 (post-acquisition results of the legal parent and its subsidiaries). Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group:

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			JUNE 30, 2022	DECEMBER 31, 2021
Consolidated Engineering Systems Company W.L.L.	Trading of fire alarms, security systems and related contracting activities.	Qatar	100%	-
Trelco Limited Company W.L.L.	Trading of food items, chemicals, IT services, etc.	Qatar	100%	-
Consolidated Supplies Company W.L.L.	Trading of electrical and construction materials.	Qatar	100%	-

1. GENERAL INFORMATION (CONTINUED):

NAME OF THE SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	ULTIMATE EFFECTIVE OWNERSHIP INTEREST	
			JUNE 30, 2022	DECEMBER 31, 2021
Watermaster Qatar W.L.L. *(Note i)*	Water treatment and contracting activities.	Qatar	63.3%	-
Electro Mechanical Engineering Company W.L.L.	Installation and maintenance of electro-mechanical works.	Qatar	68.5%	-
Construction Development Contracting and Trading Company W.L.L. *(Note i)*	Contracting and maintenance activities.	Qatar	51%	-
Debbas Enterprises (Qatar) W.L.L.	Trading of electrical equipment, switchgear, light and instrument, electrical tools, electromechanical equipment installation and maintenance works.	Qatar	51%	-
Trelco Building Materials Company W.L.L.	Trading of wood, steel, and other building materials.	Qatar	85%	-

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

2. BASIS OF PREPARATION:

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

- the result for the period and consolidated cumulative retained earnings are those of the Elegancia Group plus the post-acquisition results of the Company and its subsidiaries;
- In EPS calculation the outstanded number of shares of the Company and the Comparative information presented in the Group's consolidated financial statements is retroactively adjusted to reflect the legal capital of the Company;
- goodwill arises on the reverse acquisition when comparing the consideration of the Company acquiring the shares of Elegancia Group;
- a goodwill on reverse acquisition amounting to QAR 3,240,035,090 has been identified; and
- the Group incurred share issue costs of QAR 20,880,596 in respect of the fund raising in relation to the reverse acquisition.

2. BASIS OF PREPARATION (CONTINUED):

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

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

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

2.2. Share capital:

	Number of shares	Issued share capital QAR
Legal parent's share capital	830,000,000	830,000,000
New share issued	2,574,037,500	2,574,037,500
Total share capital As at June 30, 2022	**3,404,037,500**	**3,404,037,500**

The interim condensed consolidated financial statements for the six months period ended June 30, 2022, have been prepared in accordance with IAS 34 "*Interim Financial Reporting*" and have been presented in Qatari Riyals which is the functional and presentation currency of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021. In addition, results for the six months period ended June 30, 2022 are not necessarily indicative of the results that maybe expected for the financial year ending December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES:

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

3 a) Newly effective standards and amendments to standards:

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

TOPIC	EFFECTIVE DATE
Amendments to IFRS 3 *"Reference to the Conceptual Framework"*	January 01, 2022
Amendments to IAS 16 *"Property, Plant and Equipment — Proceeds before Intended Use"*	January 01, 2022
Amendments to IAS 37 *"Onerous Contracts — Cost of Fulfilling a Contract"*	January 01, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 a) Newly effective standards and amendments to standards (Continued):

TOPIC	EFFECTIVE DATE
Annual Improvements to IFRS Standards 2018–2020 *"Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41"*	January 01, 2022

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

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

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

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 *"Classification of Liabilities as Current or Non-Current"*	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 *"Disclosure of Accounting Policies"*	January 01, 2023
Amendments to IAS 8 *"Definition of Accounting Estimates"*	January 01, 2023
Amendment to IFRS 16 *"Covid-19-Related Rent Concessions beyond 30 June 2021"*	April 01, 2023
Amendments to IFRS 10 *"Consolidated Financial Statements"* and IAS 28 *"Investment in Associates and Joint Ventures"* on sale or contribution of assets between an investor and its associate or joint venture	Effective date deferred indefinitely/ available for optional adoption

4. USE OF JUDGMENTS AND ESTIMATES:

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

The significant judgments 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 annual group consolidated financial statements as at and for the year ended December 31, 2021.

In the process of applying the Group's accounting policies, management has made judgements apart from those involving estimations which have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements.

Going concern

Considering prevailing economic conditions and with available information about future risks and uncertainties. The Group has performed an assessment whether going concern is applicable. Based on the assessment, the Group has concluded that at present it has sufficient resources to continue its operational existence and going concern assumptions remains largely unaffected from December 31, 2021. As a result, these interim condensed consolidated financial statements have been prepared on a going concern basis.

The Group continues to monitor the situation closely and it has taken measures to manage business disruptions COVID-19 may have on its operations and financial performance during the period and in the future. The Group's financial risk management objectives and policies are consistent with those disclosed in the annual Group consolidated financial statements for the year ended December 31, 2021.

5. BUSINESS COMBINATION UNDER COMMON CONTROL:

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

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

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

5. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED):

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

	Carrying values on business combination
	QAR
ASSETS	
Property, plant and equipment	670,473,177
Investment properties	110,108,732
Intangible assets	1,041,944
Right-of-use assets	82,694,508
Inventories	189,979,561
Retention receivables	106,856,498
Trade and other receivables	1,084,200,859
Contract assets	380,165,591
Cash and bank balances	44,616,436
Total assets	**2,670,137,306**
LIABILITIES	
Loans and borrowings	680,663,695
Due to related parties	29,366,599
Lease liabilities	72,667,214
Employees' end of service benefits	58,532,432
Trade and other payables	1,180,785,207
Contract liabilities	14,602,841
Bank overdraft	144,652,535
Total liabilities	**2,181,270,523**
Net assets	
Less: Consideration for transfers	(105,802,000)
Net assets recognized on business combination under common control	**(105,802,000)**

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

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

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

6. PROPERTY, PLANT AND EQUIPMENT:

	Building improvements	Furniture and fixture	Machinery and equipment	Office equipment	Tools	Motor vehicles	Scaffolding	Fleet craft	Crafts Small boats	Computer equipment	Vessel equipment	Dry docking	Plant	Tents and shades	IT equipment	Electric equipment	Leasehold improvements	Capital work in progress	Total
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Cost:																			
Balance as at January 01, 2022 (Audited)	194,003,303	19,750,015	98,604,677	5,732,849	3,696,182	112,099,526	393,249	165,577,483	375,000	10,615,565	579,352	16,589,062	29,711,687	4,884,203	4,838,203	1,009,945	-	474,738,387	1,143,198,688
Acquisition through business combination	8,333,683	4,815,709	384,146	6,586,554	9,566,501	14,511,605	-	-	-	4,017,065	-	-	-	-	-	1,001,309	11,409,857	-	60,626,429
Additions during the period	221,705	1,360,148	2,306,204	390,386	490,250	7,869,581	-	-	-	302,403	-	1,120,889	327,784	-	263,702	1,800	-	110,777,791	125,432,643
Transfers during the period	445,449,155	-	-	-	-	-	-	-	-	539,471	-	-	-	-	-	-	-	(445,988,626)	-
Disposals/ write off	(64,242)	(621,530)	-	(41,367)	-	(757,612)	-	-	-	(10,300)	-	-	(1,999,793)	(1,472,471)	(806,192)	(18,550)	-	-	(5,792,057)
Balance as at June 30, 2022 (Reviewed)	**647,943,604**	**25,304,342**	**101,295,027**	**12,668,422**	**13,752,933**	**133,723,100**	**393,249**	**165,577,483**	**375,000**	**15,464,204**	**579,352**	**17,709,951**	**28,039,678**	**3,411,732**	**4,295,713**	**1,994,504**	**11,409,857**	**139,527,552**	**1,323,465,703**
Accumulated depreciation:																			
Balance as at January 01, 2022 (Audited)	36,388,253	16,312,620	67,029,141	4,637,316	3,586,659	92,896,981	393,248	66,835,335	375,000	5,525,882	564,497	13,647,517	22,818,238	3,674,619	3,591,445	168,102	-	-	340,444,853
Acquisition through business combination	3,349,062	3,638,363	384,146	5,710,352	8,651,633	13,302,775	-	-	-	3,803,815	-	-	-	-	-	849,543	6,699,990	-	46,389,679
Charge during the period	24,157,084	1,070,548	4,908,064	354,142	223,939	3,447,396	-	2,863,427	-	973,011	-	1,681,928	1,180,569	170,862	394,106	126,219	575,707	-	42,127,002
Disposals/ write off	-	(490,656)	-	(37,486)	-	(635,220)	-	-	-	(5,711)	-	-	(1,936,355)	(1,096,947)	(800,341)	(18,550)	-	-	(5,021,266)
Balance as at June 30, 2022 (Reviewed)	**65,894,399**	**20,530,875**	**72,321,351**	**10,664,324**	**12,462,231**	**109,011,932**	**393,248**	**69,698,762**	**375,000**	**10,296,997**	**564,497**	**15,329,445**	**22,062,452**	**2,748,534**	**3,185,210**	**1,125,314**	**7,275,697**	-	**423,940,268**
Net book value:																			
At June 30, 2022 (Reviewed)	**582,049,205**	**4,773,467**	**28,973,676**	**2,004,098**	**1,290,702**	**24,711,168**	**1**	**95,878,721**	-	**5,167,207**	**14,855**	**2,380,506**	**5,977,226**	**663,198**	**1,110,503**	**869,190**	**4,134,160**	**139,527,552**	**899,525,435**

	Building improvements	Furniture and fixture	Machinery and equipment	Office equipment	Tools	Motor vehicles	Scaffolding	Fleet craft	Crafts Small boats	Computer equipment	Vessel equipment	Dry docking	Plant	Tents and shades	IT equipment	Electric equipment	Leasehold improvements	Capital work in progress	Total
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Cost:																			
Transfer resulting from the business combination	179,477,373	18,390,146	93,659,097	5,096,876	3,681,682	97,928,539	393,249	165,577,483	2,115,108	5,970,613	501,052	15,469,482	27,372,480	4,809,203	3,927,840	550,462	-	347,846,616	972,767,301
Additions during the period	13,723,326	1,222,955	2,314,124	857,193	14,500	15,640,165	-	-	-	1,138,920	91,900	1,119,580	2,339,207	75,000	937,270	459,483	-	137,414,040	177,347,663
Transfers during the period	802,604	212,345	2,712,301	-	-	-	-	-	-	3,527,087	-	-	-	-	-	-	-	(6,795,778)	458,559
Transfer to related parties	-	-	197,055	-	-	(243,013)	-	-	-	(21,055)	-	-	-	-	(26,907)	-	-	(3,724,142)	(3,818,062)
Disposals/ write off	-	(75,431)	(277,900)	(221,220)	-	(1,226,165)	-	-	(1,740,108)	-	(13,600)	-	-	-	-	-	-	(2,349)	(3,556,773)
Balance at December 31, 2021 (Audited)	**194,003,303**	**19,750,015**	**98,604,677**	**5,732,849**	**3,696,182**	**112,099,526**	**393,249**	**165,577,483**	**375,000**	**10,615,565**	**579,352**	**16,589,062**	**29,711,687**	**4,884,203**	**4,838,203**	**1,009,945**	-	**474,738,387**	**1,143,198,688**
Accumulated depreciation:																			
Transfer resulting from the business combination	29,184,471	14,471,673	56,444,339	4,190,188	3,413,564	90,594,536	386,727	61,061,013	2,115,108	4,578,961	493,314	9,804,852	19,323,404	3,268,469	2,905,802	57,683	-	-	302,294,124
Charge during the period	9,203,782	1,918,727	10,868,066	668,331	173,075	3,559,442	6,521	5,774,322	-	946,921	84,783	3,842,665	3,494,834	406,150	701,069	110,419	-	-	41,759,107
Transfers	-	-	(5,364)	-	-	(243,013)	-	-	-	-	-	-	-	-	(15,426)	-	-	-	(263,803)
Disposals/ write off	-	(77,780)	(277,900)	(221,203)	-	(1,013,984)	-	-	(1,740,108)	-	(13,600)	-	-	-	-	-	-	-	(3,344,575)
Balance at December 31, 2021 (Audited)	**38,388,253**	**16,312,620**	**67,029,141**	**4,637,316**	**3,586,659**	**92,896,981**	**393,248**	**66,835,335**	**375,000**	**5,525,882**	**564,497**	**13,647,517**	**22,818,238**	**3,674,619**	**3,591,445**	**168,102**	-	-	**340,444,853**
Net book value:																			
At December 31, 2021 (Audited)	**155,615,050**	**3,437,395**	**31,575,536**	**1,095,533**	**109,523**	**19,202,545**	**1**	**98,742,148**	-	**5,089,683**	**14,855**	**2,941,545**	**6,893,449**	**1,209,584**	**1,246,758**	**841,843**	-	**474,738,387**	**802,753,835**
Depreciation rates	5% - 20%	20% - 33.33%	15% - 33.33%	20% - 33.33%	33.33 - 50%	33.33% - 50%	20% - 50%	4% - 10%	15% - 20%	25% - 50%	20% -33.33%	33.33% - 50%	20% - 33.33%	20%	20% - 33.33%	20% - 33.33%	20%	-	

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

	For the six-months period ended June 30,	
	2022 (Reviewed)	2021 (Audited)
	QAR	QAR
Cost of operations	28,990,081	13,194,620
General and administrative expenses	3,726,654	3,392,343
Other operating expenses	9,410,267	3,146,241
Total	**42,127,002**	**19,733,204**

7. LEASES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
7 a) Right of use asset		
Balance at the beginning of the period/ year	27,951,550	-
Transfer resulting from the business combination	16,565,443	82,694,508
Addition during the period/ year	25,483,026	10,267,638
Modification to a Lease Contract during the year	-	(47,691,700)
Amortization of right of use asset	(6,500,150)	(14,005,556)
Derecognition due to early termination of the lease contract	-	(3,313,340)
Balance at the end of the period/ year	**63,499,869**	**27,951,550**

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
7 b) Lease liability		
Balance at the beginning of the period/ year	20,565,598	-
Transfer resulting from the business combination	17,061,064	72,667,214
Addition during the period/ year	25,482,581	10,267,638
Modification to a Lease Contract during the period /year	-	(42,403,448)
Interest expense for the period/ year	1,279,119	2,512,434
Payments during the period/ year	(6,867,810)	(18,855,716)
Derecognition due to early termination of the lease contract	-	(3,622,524)
Balance at the end of the period/ year	**57,520,552**	**20,565,598**
Lease liability - non current	46,176,562	18,433,636
Lease liability - current	11,343,990	2,131,962
Total	**57,520,552**	**20,565,598**

8. RETENTION RECEIVABLES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Retention receivables	131,357,517	57,773,921
(Less): Loss allowance provision	(2,545,098)	(671,628)
	128,812,419	**57,102,293**
Non current portion	44,029,316	18,060,678
Current portion	84,783,103	39,041,615
Total	**128,812,419**	**57,102,293**

8 a) Retentions receivable represent amounts withheld by the customers in accordance with contract terms and conditions. These amounts are to be released upon fulfilment of contractual obligations.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Balance at the beginning of the period/ year	31,000,000	-
Balance at the end of the period/ year	**31,000,000**	**-**

9 a) Financial assets at fair value through profit or loss represent investment in unquoted equity shares for a Company in the State of Qatar. Management believes that there is no significant change in the fair value of these shares. Accordingly, no changes in fair values were recognized in the interim consolidated statement of profit or loss during the period.

10. INVENTORIES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Raw materials	59,723,588	40,930,252
Electrical and electronic materials	144,497,236	236,658,194
Supplies and Consumables	65,257,279	74,929,346
Steel bars	2,994,128	4,535,881
Paints	-	306,908
Steel parts	-	57,435
Spare parts	1,771,268	78,537
Other materials	71,987,287	39,345,408
	346,230,786	**396,841,961**
Less: Provision for slow moving inventory	(17,417,823)	(13,595,822)
Total	**328,812,963**	**383,246,139**

11. CONTRACT ASSETS AND LIABILITIES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Contracts valued at cost plus attributable profit	1,808,825,042	385,579,602
Less: Progress billings	(1,044,294,693)	(117,172,226)
Total	**764,530,349**	**268,407,376**

The amounts have been presented in the statement of financial position as follows:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Contract assets	804,903,334	385,579,602
Contract liabilities	(40,372,985)	(117,172,226)
Total	**764,530,349**	**268,407,376**

12. TRADE AND OTHER RECEIVABLE BALANCES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Accounts receivable	666,191,565	593,922,459
Notes receivables	13,323,958	93,141,697
Less: Allowance for impairment of receivables	(126,832,188)	(116,932,938)
	552,683,335	**570,131,218**
Prepayments	32,437,313	12,699,521
Advances paid to suppliers	434,769,007	209,308,529
Due from staff	623,608	40,058,905
Refundable deposits	5,926,621	3,772,310
Accrued revenue	92,996,343	15,846,119
Other receivables	83,676,201	23,674,406
Total	**1,203,112,428**	**875,491,008**

13. RELATED PARTIES TRANSACTIONS AND BALANCES:

13 a) Due from related parties

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Mr. Moutaz Al Khayyat	3,258,273	2,180,920
Mr. Ramez Al Khayyat	2,189,909	1,457,108
Urbacon Trading and Contracting W.L.L.	95,762,050	269,744,270
UCC-Bahadir-Tedeschia Joint Venture	45,135,345	49,662,281
Golden Bay Contracting and trading W.L.L.	7,909,006	24,801,036
Infraroad Trading and Contracting Co. W.L.L.	17,128,530	23,565,831
Baladna Food Industries W.L.L.	-	22,593,611
REE Asyad JV	98,487,924	19,308,709
Arab Builders Company W.L.L.	21,030,975	10,978,817
Pentagram Design Trading and Contracting W.L.L.	17,824,360	10,926,078
UCC Promar JV	8,792,240	9,907,938
Stark Securities Company W.L.L.	-	7,146,845
Al-Khayyat Trading and Contracting Co. W.L.L.	6,747,198	5,381,104
UCC Acciona JV	6,648,836	4,796,535
Elegancia Canteen	4,193,826	3,993,557
Urbacon Holding W.L.L.	3,959,596	2,799,851
Aura Hospitality W.L.L.	-	2,629,635
Assets Properties Management W.L.L.	6,280,749	1,643,865
Aura Entertainment Services W.L.L.	1,039,254	737,632
Ithaafushi Investment (Private) Limited	161,385	671,639
WMC International GmBH	250,000	250,000
Profession Aluminum Co. W.L.L	473,206	202,874
SMIQ GmBH	100,000	100,000
Damasca One Restaurant W.L.L.	-	85,169
United Foods Services W.L.L.	-	74,750
Union Iron and Steel Company W.L.L.	47,591	47,591
Elegancia Marco W.L.L.	-	36,800
Subtotal carried forward	***347,420,253***	***475,724,446***

13. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED):

13 a) Due from related parties (Continued)

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Subtotal brought forward	***347,420,253***	***475,724,446***
Basta Restaurant W.L.L	386	26,550
Baladna for Animal Production W.L.L.	402,227	20,000
Nakhchivan W.L.L	-	17,950
Mr. Mohamad M. Reslan Al Khaiat	-	10,600
UCC Promar Marine Contracting W.L.L.	2,254,328	7,335
Foodmania Restaurant W.L.L	3,500	3,500
Joury Tours And Travels W.L.L.	3,957,841	-
Urbacon Workshop Department	83,107,230	-
Palma Group W.L.L.	62,408	-
Levant Restaurants W.L.L	26,550	-
Joury Logistics Company W.L.L.	328,978	-
Urbacon And Infraroad Joint Venture	2,341,272	-
Syrian American Medical Centre	376,464	-
Al Hodaifi Group W.L.L.	2,572,734	-
Trelco Security Equipment Services W.L.L.	1,136,562	-
Building Development Technology Company W.L.L.	59,306	-
Consolidated Securities W.L.L	230,172	-
Mr.Sultan Bin Ghanem Al Hodaifi	12,025	-
Temasq Beauty Lounge & Spa	72,785	-
Dimension Group - W.L.L.	291,624	-
Snathe Qatar - W.L.L.	308,651	-
Prolines - W.L.L.	1,412,411	-
Pizza One	14,722	-
Servicom Reality Management - W.L.L.	4,431,280	-
Servicom Interior - W.L.L.	10,262,830	-
UCC-SCA JV	175,396	-
Servicom - W.L.L.	5,666,448	-
Qatar Asyad	16,600,000	-
Ithaafushi Maldives Projects	441,758	-
I Shield W.L.L.	9,702	-
Global Construction Equipment Company W.L.L.	54,132	-
Elegancia Galvanized Steel /Al -Istiqlal	10,800	-
Industrial Development Trading Company W.L.L.	436,400	-
ETA – PCS Switchgear L.L.C.	292,856	-
Debbas Enterprise (Lebanon)	31,031	-
Debbas Holding Co	326,636	-
Less: Provision for expected credit losses	(303,831)	-
Total	**484,827,867**	**475,810,381**

13. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED):

13 b) Due to related parties

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Urbacon Plant, Machinery And Vehicle	52,666,391	37,208,534
Urbacon Trading And Contracting Facility Management Division	7,052,523	20,111,157
Credo Trading Company W.L.L.	8,438,403	8,251,021
Assets Real Estate Development W.L.L.	8,152,746	7,474,322
Urbacon Workshop Department	-	6,915,818
Aura Lifestyle W.L.L	3,594,274	3,696,274
Loyalty For Business Development And Investment Holding W.L.L.	3,000,000	3,000,000
International Design & Consultant Company W.L.L	1,929,028	1,953,028
Joury Tours And Travels W.L.L.	-	1,339,455
Power International Holding Company W.L.L.	7,354,498	713,298
Highness Holding Company W.L.L.	1,250,000	1,250,000
Printshop For Printing Services W.L.L	232,459	518,166
Orient Pearl Restaurant W.L.L.	134,219	336,958
Joury Logistic Company W.L.L.	-	189,958
Global Security System Company W.L.L	40,216	40,216
Syrian American Medical Centre	-	29,678
Gulfmed Supply Company W.L.L.	347	5,785
Louloat Alshareq Restaurant W.L.L.	34,433	1,334
Aura Hospitality W.L.L.	97,047	-
Baladna Food Industries W.L.L.	301,428	-
Ithaafushi Investment (Private) Limited	70,738	-
Damasca One Restaurant W.L.L.	10,696	-
Stark Securities Company W.L.L.	2,385,571	-
Trelco Customs Clearance Company W.L.L.	164,148	-
Debbas (Qatar) W.L.L.	1,829,123	-
Cesar Debbas and Fils W.L.L.	2,503,892	-
Global Tourist and Travel Company W.L.L.	374,858	-
Forad SARL	308,824	-
Qatar Duct W.L.L.	4,218	-
UCC Infraroad - JV	523,252	-
UCC - Sacyr JV	10,145	-
Total	**102,463,477**	**93,035,002**

13 c) Transaction with related parties

	For the six-months period ended June 30,	
	2022 (Reviewed) QAR	2021 (Audited) QAR
Revenue	1,192,580,851	858,333,131
Expenses	137,126,962	58,332,620

14. CASH AND BANK BALANCES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Cash in hand	4,405,470	3,557,475
Cash at bank - current accounts	229,388,217	37,887,582
Total	**233,793,687**	**41,445,057**

14 a) For the purpose of cash flows statement, the amount of cash and cash equivalents is presented as follows:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Total cash and cash equivalents	233,793,687	41,445,057
Bank overdraft	(176,502,244)	(199,473,655)
Restricted cash (cash margin held against bank guarantees)	(1,597,654)	(1,298,042)
Net cash and cash equivalents	**55,693,789**	**(159,326,640)**

15. SHARE CAPITAL:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Adjusted) QAR
Authorized and issued	3,404,037,500	2,574,037,500
Reverse acquisition reserve (Note 15 c)	-	(2,564,037,500)
	3,404,037,500	**10,000,000**

15 a) 3,404,037,500 ordinary shares of QAR 1 per share

15 b) Authorized and issued share capital of QAR 3,404,037,500 reflected newly issued capital of QAR 2,574,037,500 as the consideration and QAR 830,000,000 authorized and issued capital of the Company at the beginning of the period.

15 c) The outstanding number of shares as at 31 December 2021 has been adjusted retroactively to reflect the legal capital of the accounting acquirer in accordance with IFRS 3,14.3.

16. LEGAL RESERVE:

In accordance with Qatar Commercial Companies Law No. 11 of 2015 whose certain provision were subsequently amended by law No. 8 of 2021 and the Group's Articles of Association, 10% of net income for the year is required to be transferred to the legal reserve, the Group may discontinue such transfer if the legal reserve reached 50% of the paid capital. This reserve is not available for distribution except in circumstances stipulated in the Commercial Companies Law.

17. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Balance at the beginning of the period/ year	86,946,928	-
Transfer resulting from the business combination	20,238,622	58,532,432
Provision for the period/ year	17,146,816	33,678,644
Payments made during the period/ year	(8,887,672)	(5,188,075)
Transfer to related parties	(1,959)	(76,073)
Balance at the end of the period/ year	**115,442,735**	**86,946,928**

18. LOANS AND BORROWINGS:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Term loans	1,049,735,310	419,672,804
Demand loans	18,569,942	154,121,330
Factor finance	57,261,526	109,771,902
Projects finance	3,584,796	25,469,798
Murabaha loans	72,529,787	18,902,958
Total loan and borrowings	**1,201,681,361**	**727,938,792**
Non-current liability	659,864,005	336,166,817
Current liability	541,817,356	391,771,975
Total	**1,201,681,361**	**727,938,792**

19. TRADE AND OTHER PAYABLE BALANCES:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Accounts payable	474,980,663	437,779,365
Advances received from the customers	192,889,232	157,095,037
Provisions for leave salary and air ticket	12,832,121	5,850,569
Notes payable	102,309,707	26,194,266
Retentions payables	28,309,625	22,369,794
Other payables	221,587,579	170,771,486
Due to staff	870,401	1,414,582
Income tax payables	-	384,816
Provision for maintenance cost	32,369,208	14,246,965
Provision for foreseeable losses	64,433,201	52,127,321
Accrued expenses	328,197,857	214,037,935
Total	**1,458,779,594**	**1,102,272,136**

20. REVENUE:

	For the six-months period ended June 30,	
	2022 (Reviewed)	2021 (Audited)
	QAR	QAR
Revenue from contract with customer	1,851,518,135	1,514,468,756
Rental income from investment properties	1,467,324	5,664,480
Total	**1,852,985,459**	**1,520,133,236**

21. GENERAL AND ADMINISTRATIVE EXPENSES:

	For the six-months period ended June 30,	
	2022 (Reviewed)	2021 (Audited)
	QAR	QAR
Salaries and other benefits to employees	45,791,383	37,330,529
Rent expenses	2,170,919	4,786,838
Professional fees	5,601,091	2,416,006
Depreciation expenses property, plant and equipment	3,726,654	3,392,343
Depreciation expenses right of use assets	3,062,742	1,746,980
Repair and maintenance	2,100,136	1,147,305
Communication charges	307,874	476,721
Amortization of intangible assets	647,279	390,181
Bank commission and charges	797,040	133,151
Miscellaneous expenses	16,781,171	5,511,029
Total	**80,986,289**	**57,331,083**

22. BASIC AND DILUTED EARNINGS PER SHARE:

The calculation of basic earnings per share ("EPS") is arrived by dividing the profit attributable to the shareholders of the Parent Company for the period by the weighted average number of ordinary shares outstanding during the period.

	For the six-months period ended June 30,	
	2022 (Reviewed)	2021 (Audited)
	QAR	QAR
Profit for the period attributable to shareholders of the parent (QAR)	192,536,099	182,449,769
Weighted average number of shares outstanding during the period *	2,940,888,329	2,574,037,500
Basic earnings per share *(Qatari Riyals per share)*	**0.065**	**0.071**

* The weighted average number of shares outstanding as at 31 December 2021 has been adjusted retroactively to reflect the legal capital of the accountanting acquirer in accordance with IFRS 3,14.3.

The weighted average number of ordinary shares outstanding for the six-months period ended June 30, 2022 and 2021 was adjusted for the reverse acquisition treatment as per IFRS 3 "Business Combinations".

23. COMMITMENTS AND CONTINGENCIES:

There are no material commitments and contingencies existing as of the reporting date, except for the following:

	June 30, 2022 (Reviewed) QAR	December 31, 2021 (Audited) QAR
Performance guarantees	176,389,071	97,271,739
Bank guarantee	100,167,396	81,812,775
Letter of credits	140,313,895	67,387,942
Contingent commercial loans	237,334,270	239,207,162
Performance bond	70,753,186	41,126,585
Tender bonds	20,451,274	18,153,160
Letter of guarantees	59,056,091	121,627,321
Security cheque	5,744,552	120,000
Advance payment guarantees	68,469,275	-
Visa card	224,552	-
Retention bond	2,157,500	-

24. LEGAL CASES:

24.1. Debbas Enterprises – Qatar – W.L.L.

A. One of the Group's subsidiaries, Debbas Enterprises Qatar W.L.L has entered into a Joint Venture (EDJV) (ETA Star Engineering and Contracting W.L.L. (Under liquidation) / Debbas Enterprises Qatar W.L.L.) in February 2011 to carry out the electromechanical works of Doha Exhibition and Convention Center for the main contractor Midmac Contracting / Six Construct JV (SMJV), with a total contract value of QAR 430,000,000 to be executed within 22 months.

B. EDJV has obtained credit facility from a local bank in 2011 to finance this project and the total outstanding balance including accrued interest as of 31 December 2020 amounted to QAR 152,696,565 (2019: QAR 148,463,224), of which the Group's share is QAR 76,048,233 (2019: QAR 74,231,611). The Group and other related parties have provided corporate and personal guarantees to Ahli Bank against the credit facilities as following:

- Personal guarantee from previous IHG's chairman amounting to QAR 43,000,000
- Corporate guarantee from Debbas Enterprises – Qatar, W.L.L amounting to QAR 276,000,000
- Corporate guarantee from ETA Star Engineering and Trading – W.L.L (Under liquidation) amounting to QAR 233,000,000.

Additionally, the founders' committee of IHG has given an undertaking letter to personally guarantee to pay the recognized cumulative revenue to 31 December 2016 form the unapproved variation orders amounting to QAR 77,775,000 and a written commitment from Debbas Holding – S.A.L against their portion of the bank debt.

C. Ahli bank filed a lawsuit No. 2926/2018 against "KJV" (ETA Star Engineering and Contracting W.L.L. (Under liquidation) and Debbas Enterprise Qatar W.L.L. the "Company") the joint operation, and other requesting to pay an amount of QAR. 178,529,133 plus accrued interest to cover the outstanding loan balance that was obtained from Ahli bank to finance project construction works.

D. Accordingly the joint Operation (EDJV) filed a lawsuit No. 568/2018 against SMJV and Qatari Diar "the client" requesting them to pay an amount of QAR 625,861,657 being the remaning costs of the orginal contract, the additional works carried out based on the site instructions, extensions of time, and compensation for the opportunity costs.

24. LEGAL CASES (CONTINUED):

24.1. Debbas Enterprises – Qatar – W.L.L. (Continued)

E. On March 21, 2019, the Court of First Instance decided to combine the two cases, case numbers 568/18 and 2926/18. Subsequently, on April 30, 2019, the Court decided to delegate the case to a panel of experts.

Based on the foregoing, the Joint Operation strongly believes that (i) SMJV will be dismissed by the Court as SMJV were ready to make a settlement pay of QAR 23 million to EDJV to close the final account and negotiate further beyond this amount to narrow the gap between the two assessments; (ii) the amount ruled by the Court to be paid by SMJV/Qatari Diar will largely exceed Ahli bank liabilities. Hence, the Group do not expect any material contingencies to arise from the above lawsuits which would require disclosures or additional provisions in the consolidated financial statements as of 31 December 2021 and 2020.

24.2. Other litigations

One of the local banks filed a lawsuit against the Group and other parties to claim an amount of QAR 12.5 million based on a facility agreement and corporate guarantees signed by IHG and the other parties with the bank during December 2012. As of reporting date, the lawsuit is still ongoing with the uncertainty of its outcome.

25. CAPITAL RISK MANAGEMENT:

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of invested capital. The capital structure of the Group consists of equity, comprising share capital, reserves, retained earnings and non-controlling interests.

26. EVENTS AFTER THE REPORTING PERIOD:

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the interim condensed consolidated financial statements:

27. COMPARATIVE FIGURES:

Certain comparative figures in respect of the year ended December 31, 2021 have been reclassified in accordance with International Financial Reporting Standards (IFRS) to reflect a "*reverse acquisition*" in order to conform with the presentation of the interim condensed consolidated financial statements for the six months period ended June 30, 2022. Such reclassifications did not have any effect on the net profit and equity of the comparative period.

28. IMPACT OF COVID-19:

COVID-19 was declared a pandemic by WHO (World Health Organization) and is causing disruptions to business and economic activities across various geographies globally. The local government system in Qatar has announced various measures to support businesses to mitigate possible adverse impact due to the pandemic. The Group continues to monitor the situation and the Group's management have taken measures to continue the operations with minimal disruptions and also have risk management plans in place to manage potential disruptions in the future.

The Group's management have revisited its judgements, estimates and risk management objectives and have considered the potential impacts of the current volatility in determining the reported amounts of the Group's financial and non-financial assets as at June 30, 2022.

29. BUSINESS COMBINATION:

On April 12, 2022 the Company obtained Qatar Financial Markets Authority (QFMA) approval on reverse acquisition transaction, the transaction was executed by issuing 2,574,037,500 newly issued shares of "Estithmar Holding" by QAR 1 in share swap transaction as each Elegancia Group shareholder will get worth of share equal to 3.10125 for each share of Estithmar.

29. BUSINESS COMBINATION (CONTINUED):

29 a) Reverse acquisition transition

Reverse acquisition sometimes occur when a private operating entity wants to become a public entity but does not want to register its equity shares. The private entity will arrange for a public entity to acquirer its equity interests in exchange for the equity interest of the public entity. Although the public entity is the legal acquirer because it issued its equity interests. and the private entity is the legal acquiree because its equity interests were acquired, application of the guidance results in identifying: (IFRS 3.B19)

i. The public entity as the acquiree for accounting purposes (the accounting acquiree); and

ii. The private entity as the acquirer for accounting purposes (the accounting acquirer).

The overall effect is that the interim condensed consolidated financial statements are prepared from the legal subsidiary perspective rather than the legal parent, and in summary this means:

- The result for the period and consolidated cumulative retained earnings are those of the Elegancia Group plus the post-acquisition results of the Company and its subsidiaries;
- The share capital is that of the Company and the Comparative information presented in the Group's consolidated financial statements is retroactively adjusted to reflect the legal capital of the Company;
- Goodwill arises on the reverse acquisition when comparing the consideration of the Company acquiring the shares of Elegancia Group;
- A goodwill on reverse acquisition amounting to QAR 3,240,035,090 has been identified; and
- The Group incurred share issue costs of QAR 20,880,596 in respect of the fund raising in relation to the reverse acquisition.

29 b) In a reversal acquisition in which acquirer and the acquiree exchange only equity interests, the acquisition date fair value of the legal acquirer equity interests is the most reliable measure to determine the amount of goodwill according to IFRS 3.33, As a result the group has used the market price of Estithmar at the acquisition date of QAR 2.572 that results in total goodwill amounting to QAR 3,240,035,090 comprises of goodwill on reverse acquisition transaction amounting to QAR 1,980,757,590 and an internally generated goodwill in the Company's books of accounts amounting to QAR 1,259,277,500.

29 c) The share capital of the Company was determined to be QAR 3,404,037,500 to reflect its value as per evaluation and not as per book value of partners' equity as at June 30, 2022, due to legal considerations represented by determining the Company's share capital at QAR 3,404,037,500 by H.E the Minister of Commerce and Industry and consequent approvals by the Ministry of Commerce and Industry, Qatar Financial Markets Authority (QFMA) and Qatar Stock Exchange on the share capital of the reverse acquisition transaction in which the Prospectus took a similar approach. Therefore, the shareholders approved the same in their Constituent General Assembly. As a result of all these, it became inevitable for the management to recognize an internally generated goodwill in the Company's books of accounts amounting to QAR 1,259,277,500.

30. OPERATING SEGMENTS:

Information reported for the purpose of resource allocation and assessment of segment performance focuses on the types of services being provided. The Group has six reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The Group's have recognize six reportable segments such as corporate, contracting, industries, services, healthcare and ventures.

Management monitors the operating results of the operating segments to make decision about resource allocation and performance measurements segment performance is evaluated based on profit and loss and measured consistently with operating profit and loss in combined financial statements.

The following table summarizes the performance of the operating segments in the Group for the six months period ended June 30, 2022 and 2021:

30-Jun-22	Corporate	Contracting	Industries	Services	Healthcare	Ventures	Corporate eliminations and adjustments	Total
	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Revenue								
External customers	-	51,994,646	42,544,574	566,304,272	17,815,312	-	-	678,658,805
Inter-segment	-	833,512,319	185,475,942	394,621,621	-	-	(239,283,228)	1,174,326,654
Total revenue	-	**885,506,965**	**228,020,516**	**960,925,894**	**17,815,312**	-	**(239,283,228)**	**1,852,985,459**
Segment profit	**69,289,425**	**39,919,089**	**14,581,777**	**113,994,530**	**1,649,914**	**39,660,900**	**(88,482,429)**	**190,613,205**
Income/ (expenses)								
Other income	105,763,179	2,120,881	622,568	2,795,946	-	40,000,000	(108,750,003)	42,552,571
Direct costs	-	(798,230,507)	(199,488,826)	(796,771,189)	(12,962,028)	-	217,447,012	(1,590,005,537)
General and administrative expenses	(33,794,443)	(40,644,780)	(10,916,674)	(36,372,915)	(566,905)	(339,100)	41,648,528	(80,986,289)
Management fee	-	(5,178,000)	(180,000)	-	(2,636,465)	-	(1,331,262)	(9,325,727)
Total assets	**4,208,375,700**	**1,928,839,754**	**641,543,095**	**1,923,709,937**	**98,047,636**	**180,790,283**	**(1,467,499,708)**	**7,513,806,697**
Total liabilities	**506,741,662**	**1,510,503,378**	**442,327,197**	**1,341,062,312**	**53,384,215**	**6,570,030**	**(678,190,669)**	**3,182,398,124**

30. OPERATING SEGMENTS (CONTINUED):

30-Jun-21	Corporate QAR	Contracting QAR	Industries QAR	Services QAR	Healthcare QAR	Ventures QAR	Corporate eliminations and adjustments QAR	Total QAR
Revenue								
External customers	-	580,812,048	133,814,643	805,506,545	-	-	-	1,520,133,236
Inter-segment	-	12,326,844	27,013,916	52,363,951	-	-	(91,704,711)	-
Total revenue	-	**593,138,892**	**160,828,559**	**857,870,496**	-	-	**(91,704,711)**	**1,520,133,236**
Segment profit/ (loss)	-	**39,743,545**	**9,104,153**	**135,531,733**	**(573,857)**	-	**50,186**	**183,855,760**
Income/ (expenses								
Other income	-	2,017,367	1,783,116	5,460,818	-	-	-	9,261,301
Direct costs	-	(535,966,286)	(130,782,494)	(592,938,964)	-	-	84,464,233	(1,175,223,511)
General and administrative expenses	-	(15,721,502)	(20,065,113)	(28,675,548)	(573,857)	-	7,704,937	(57,331,083)
Management fee	-	-	-	(2,500,000)	-	-	-	(2,500,000)
Other operating expenses	-	(1,820,000)	(58,550)	(95,567,607)	-	-	-	(97,446,157)
Total assets	-	**1,078,177,398**	**580,398,806**	**1,793,995,136**	**2,390,942**	-	**(646,238,179)**	**2,808,724,103**
Total liabilities	-	**820,082,138**	**381,681,302**	**1,460,636,937**	**2,764,799**	-	**(428,794,289)**	**2,236,370,887**