

United Development Company Q.P.S.C.

**Interim condensed consolidated financial statements
as at and for the period ended 30 September 2024**

United Development Company Q.P.S.C.
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United Development Company Q.P.S.C.

Interim consolidated statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2024

	Notes	Nine-month period ended 30 September	
		2024 (Unaudited) QR'000	2023 (Unaudited) QR'000
Revenue		1,188,773	1,212,117
Cost of revenue		(750,694)	(825,297)
Gross profit		438,079	386,820
Dividend income		-	2,579
Other operating income		218,829	298,155
Fair value (loss) / gain on investment securities		(5,191)	6,077
Provision for impairment on trade receivables		(9,006)	(9,270)
General and administrative expenses		(243,681)	(240,594)
Sales and marketing expenses		(19,355)	(17,188)
Operating profit		379,675	426,579
Fair value loss on investment properties		-	(70,000)
Finance income		68,692	79,897
Finance costs		(203,165)	(196,081)
Net finance costs		(134,473)	(116,184)
Net share of results of associates		(215)	(3,050)
Profit before tax		244,987	237,345
Income tax	26	(3,570)	(7,425)
Net profit for the period		241,417	229,920
Net profit for the period attributable to:			
Equity holders of the Parent		241,785	230,150
Non-controlling interests		(368)	(230)
		241,417	229,920
Earnings per share attributable to equity holders of the Parent:			
Basic and diluted earnings per share (QR)	6	0.068	0.065
Other comprehensive income		-	-
Total comprehensive income for the period		241,417	229,920
Total comprehensive income for the period attributable to:			
Equity holders of the Parent		241,785	230,150
Non-controlling interests		(368)	(230)
		241,417	229,920

The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.


United Development Company Q.P.S.C.

Interim consolidated statement of financial position as at 30 September 2024

	Notes	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Assets			
Non-current assets			
Property, plant and equipment	7	3,441,818	3,504,202
Investment properties	8	10,402,414	10,432,175
Right-of-use assets	9	5,732	8,810
Intangible assets	10	5,853	7,105
Investment in associates and joint venture	11	13,069	16,484
Investment securities	12	57,622	62,813
Accounts and other receivables	15	350,082	482,020
Deferred costs	14	107,115	115,621
Total non-current assets		14,383,705	14,629,230
Current assets			
Inventories	13	97,839	97,507
Work in progress		2,569,371	1,821,456
Accounts and other receivables	15	1,224,059	1,285,816
Deferred costs	14	15,187	15,123
Cash and bank balances	16	1,470,913	1,726,980
Total current assets		5,377,369	4,946,882
Total assets		19,761,074	19,576,112
Equity and liabilities			
Equity			
Share capital	17	3,540,862	3,540,862
Legal reserve		1,770,431	1,770,431
Other reserve	18	1,208,727	1,208,727
Retained earnings		4,827,030	4,779,992
Equity attributable to equity holders of the parent		11,347,050	11,300,012
Non-controlling interests		64,080	65,923
Total equity		11,411,130	11,365,935
Liabilities			
Non-current liabilities			
Loans and borrowings	19	4,888,645	3,842,429
Accounts and other payables	20	271,931	125,889
Retention payable	21	27,399	31,080
Deferred revenue	22	631,997	628,980
Employees' end-of-service benefits	23	54,916	59,175
Lease liabilities	24	5,739	7,752
Total non-current liabilities		5,880,627	4,695,305
Current liabilities			
Loans and borrowings	19	552,261	1,305,919
Accounts and other payables	20	1,656,420	1,962,947
Retention payable	21	190,638	176,663
Deferred revenue	22	68,985	67,227
Lease liabilities	24	1,013	2,116
Total current liabilities		2,469,317	3,514,872
Total liabilities		8,349,944	8,210,177
Total equity and liabilities		19,761,074	19,576,112

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on their behalf on 28 October 2024 by:


Ibrahim Jassim Al-Othman
President and Chief Executive Officer


Ahmed Ali Al-Hammadi
Chairman of the Board

The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.

Interim consolidated statement of changes in equity for the nine-month period ended 30 September 2024

	Attributable to equity-holders of the parent				Total QR'000	Non- controlling interests QR'000	Total equity QR'000
	Share capital QR'000	Legal reserve QR'000	Other reserve QR'000	Retained earnings QR'000			
Balance at 1 January 2023	3,540,862	1,770,431	1,212,049	4,582,726	11,106,068	70,688	11,176,756
Net profit for the period	-	-	-	230,150	230,150	(230)	229,920
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend (Note 32)	-	-	-	(194,747)	(194,747)	(4,420)	(199,167)
Balance at 30 September 2023 (Unaudited)	3,540,862	1,770,431	1,212,049	4,618,129	11,141,471	66,038	11,207,509
Balance at 1 January 2024	3,540,862	1,770,431	1,208,727	4,779,992	11,300,012	65,923	11,365,935
Net profit for the period	-	-	-	241,785	241,785	(368)	241,417
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend (Note 32)	-	-	-	(194,747)	(194,747)	(1,475)	(196,222)
Balance at 30 September 2024 (Unaudited)	3,540,862	1,770,431	1,208,727	4,827,030	11,347,050	64,080	11,411,130

The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.
Interim consolidated statement of cash flows
for the nine-month period ended 30 September 2024

	Notes	30 September 2024 (Unaudited) QR'000	30 September 2023 (Unaudited) QR'000
Operating activities:			
Profit before tax		244,987	237,345
Adjustments:			
Net share of results in associates		215	3,050
Depreciation on property, plant and equipment	7	99,673	95,753
Fair value loss on investment properties		-	70,000
Amortisation of intangible assets	10	1,252	636
Amortisation of right-of-use assets	9	3,916	2,345
Loss on disposal of property, plant and equipment		-	3,276
Net finance costs		134,473	116,184
Dividend income		-	(2,579)
Provision for impairment of trade receivables		9,006	9,270
Fair value loss / (gain) on investment securities		5,191	(6,077)
Provision for employees' end-of-service benefits	23	8,196	7,122
Operating profit before changes in working capital		506,909	536,325
Changes in working capital:			
Inventories		51,287	57,238
Work in progress		(747,915)	(190,309)
Accounts and other receivables		172,000	839,762
Accounts and other payables		(157,805)	(968,145)
Retention payable		10,294	(37,197)
Deferred revenue and cost, net		13,217	(15,410)
Cash (used in) / from operating activities		(152,013)	222,264
Finance costs paid		(196,119)	(183,653)
Employees' end-of-service benefits paid	23	(12,455)	(3,712)
Income tax paid		(4,145)	(4,225)
Net cash (used in) / from operating activities		(364,732)	30,674
Investing activities:			
Additions to property, plant and equipment	7	(37,289)	(36,254)
Proceeds from disposal of property, plant and equipment		-	1,177
Additions to intangible assets	10	-	(736)
Finance income received		61,745	58,237
Additions to investment properties	8	(21,858)	(49,213)
Investment in an associate		-	(1,225)
Repayment of lease liabilities	24	(4,245)	(2,454)
Movement in time deposits with original maturities greater than 90 days		(114,742)	(179,411)
Principal portion received from lease receivable		12,881	-
Dividend received from associate		3,200	5,779
Net cash used in investing activities		(100,308)	(204,100)
Financing activities:			
Proceeds from loans and borrowings		731,719	907,989
Repayment of loans and borrowings		(439,161)	(374,698)
Dividend		(196,222)	(199,167)
Net cash from financing activities		96,336	334,124
Net (decrease) / increase in cash and cash equivalents		(368,704)	160,698
Cash and cash equivalents at the beginning of the period		950,513	1,396,178
Cash and cash equivalents at the end of the period	16	581,809	1,556,876

The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024

1. Corporate information and principal activities

United Development Company Q.P.S.C. (the "Company") (the "Parent") was incorporated as a Qatari Shareholding Company in accordance with the Emiri Decree No. 2 on 2 February 1999 and whose shares are publicly traded. The registered office of the Company is situated in Doha, State of Qatar and its registered office address is P.O box 7256. The interim condensed consolidated financial statements of the Group as at and for the nine-month period ended 30 September 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates. Information regarding the Group's structure is provided in Note 3.2.

The principal activity of the Group is to contribute and invest in infrastructure and utilities, urban development, environment related businesses, marina and related services, hospitality and leisure, business management and providing information technology solutions.

Pursuant to the Emiri Decree No 17 of 2004, the Company has been provided with a right to develop an island off the shore of Qatar for the sale and/or lease of properties. The Company is presently engaged in the development of this area known as "The Pearl Qatar Project". The Pearl Qatar Project involves reclamation of land covering an area of 985 acres (4.2 million square meters) into a manmade island and the development of the island into various districts comprising housing beachfront villas, town homes, luxury apartments, retail shopping complex, penthouses, five-star hotels, marinas and schools with related infrastructure and community facilities.

The interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2024 were authorised for issue in accordance with approval of the Board of the Directors on 28 October 2024.

2. Basis of preparation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for land categorised as property, plant and equipment, investment securities and investment properties that are presented at fair value in accordance with IFRS.

These interim condensed consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Group's functional currency. All financial information is presented in Qatari Riyals and all values are rounded to the nearest thousands unless and otherwise indicated.

These interim condensed consolidated financial statements do not include all the information required in the annual consolidated financial statements and should be read in conjunction with the Group consolidated financial statements as at 31 December 2023. In addition, results for the nine months period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 are available upon request from the Company's registered office or at the Company's website www.udcqatar.com.

3. Material accounting policy Information

3.1 New and amended standards and interpretations adopted by Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2023, except for the adoption of the following new standards and amendments effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

3. Material accounting policy Information (continued)

3.1 New and amended standards and interpretations adopted by Group (continued)

Following standards and amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

3.2 Basis of consolidation

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in these interim condensed consolidated financial statements from the date that control commences until that date that control ceases. The Group consolidates all the entities where it has the power to govern the financial and operating policies. All balances and transactions between Group entities included in these interim condensed consolidated financial statements have been eliminated upon consolidation.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit recognised upon loss of control is recognised in the condensed consolidated interim statement of profit or loss. If the Group retains any interest in the previous subsidiary, such interest is measured at fair value as at the date control is lost. Subsequently it is accounted as an equity-accounted investee or as a financial asset under IFRS 9 depending on the level of influence retained.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the condensed consolidated interim statements of profit or loss and financial position separately from the Company shareholders' interests.

The interim condensed consolidated financial statements comprise the financial statements of the Company and all its subsidiaries as at 30 September 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company using consistent accounting policies. The interim condensed consolidated financial statements include the financial statements of The Parent and its subsidiaries listed in the following table:

Name of the subsidiary	% equity interest		Country of incorporation	Principal activities
	2024	2023		
Qatar District Cooling Company Q.C.S.C.	91.06	91.06	Qatar	District cooling services
Installation Integrity 2006 W.L.L.	91.06	91.06	Qatar	Engineering consultancy
Cool Tech Qatar W.L.L.	91.06	91.06	Qatar	Water treatment services
Ronautica Middle East W.L.L.	100	100	Qatar	Operation of marina
The Pearl Qatar Company W.L.L.	100	100	Qatar	Real estate investments
Hospitality Development Company W.L.L.	100	100	Qatar	Management of restaurants
Lebanese Restaurants Development L.L.C.	100	100	Qatar	Management of restaurants
Flavours of Mexico L.L.C.	100	100	Qatar	Management of restaurants
The Rising Sun L.L.C.	95.68	95.68	Qatar	Management of restaurants
Wafflemeister Restaurant L.L.C	100	100	Qatar	Management of restaurants
Isla Mexican Kitchen W.L.L.	100	100	Qatar	Management of restaurants
Arabesque Restaurant W.L.L.	100	100	Qatar	Management of restaurants
The Circle Café W.L.L.	100	100	Qatar	Management of restaurants
Chocolate Jar W.L.L.	100	100	Qatar	Management of restaurants
Bread and Crumbs W.L.L.	100	100	Qatar	Management of restaurants
Shirvan Metisse Doha Restaurant W.L.L.	100	100	Qatar	Management of restaurants
The Pearl Souvenir Trading W.L.L.	100	100	Qatar	Retail trading
Madina Centrale Company W.L.L.	100	100	Qatar	Real estate investments
Abraj Al-Mutahida Company W.L.L.	100	100	Qatar	Real estate development

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

3. Material accounting policy information (continued)

3.2 Basis of consolidation (continued)

Name of the subsidiary	% equity interest		Country of incorporation	Principal activities
	2024	2023		
United Facilities Management Company W.L.L	100	100	Qatar	Facilities management
Scoop Media and Communication Company W.L.L	100	100	Qatar	Advertising activities
Pragmatech Company W.L.L.	100	100	Qatar	Information technology solutions
Glitter W.L.L.	100	100	Qatar	Cleaning related services
Insure Plus W.L.L.	100	100	Qatar	Insurance agency
Madina Innova W.L.L.	100	100	Qatar	Master community services
The Pearl Owners Corporation W.L.L.	100	100	Qatar	Property management
United Development Investment Company	100	100	Cayman Island	Real estate development
United Technology Solution W.L.L.	100	100	Qatar	Information technology solutions
Resorts and Leisure Company W.L.L.	100	100	Qatar	Operation of hotels and resorts
United School International W.L.L.	51	51	Qatar	Operation of school
ProMan L.L.C.	100	100	Qatar	Support services
United Medical Company W.L.L.	65	65	Qatar	Operation of hospital
United District Energy International W.L.L.	99	99	Qatar	Investment in infrastructure projects

Non-controlling interests

	Profit allocation for the Nine-month period ended		Accumulated balance as at	
	30 September 2024 (Reviewed) QR'000	30 September 2023 (Reviewed) QR'000	30 September 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Qatar District Cooling Company Q.C.S.C.	10,847	10,021	94,278	84,650
United Medical Company W.L.L.	(2,248)	-	(2,248)	(88)
The Rising Sun L.L.C.	-	-	351	351
United School International W.L.L.	(8,967)	(10,251)	(28,301)	(18,990)
	<u>(368)</u>	<u>(230)</u>	<u>64,080</u>	<u>65,923</u>

4. Estimates and judgments

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The critical estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2023.

5. Financial risk management

The Group financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated financial statements for the year ended 31 December 2023.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

6. Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the period. There were no instruments or items that could cause a dilutive effect on the earnings per share calculation.

	Nine-month period ended 30-	
	2024	September
	(Unaudited)	2023
	QR'000	(Unaudited)
		QR'000
Profit for the year attributable to equity holders of the Parent (QR'000)	241,785	230,150
Weighted average number of outstanding shares during the year ('000)	3,540,862	3,540,862
Basic and diluted earnings per share (QR)	<u>0.068</u>	<u>0.065</u>

7. Property, plant and equipment

	30 September	31 December
	2024	2023
	(Unaudited)	(Audited)
	QR'000	QR'000
Carrying value at the beginning of the period/year	3,504,202	3,561,834
Additions	37,289	88,182
Revaluation	-	(3,322)
Impairment	-	(8,144)
Disposals, net	-	(6,412)
Depreciation for the period/year	(99,673)	(127,936)
Carrying value at the end of the period/year	<u>3,441,818</u>	<u>3,504,202</u>

8. Investment properties

	30 September	31 December
	2024	2023
	(Unaudited)	(Audited)
	QR'000	QR'000
Balance at the beginning of the period/year	10,432,175	10,794,047
Additions	21,858	6,229
Transfers, net	(51,619)	(235,700)
Fair value loss	-	(132,401)
Balance at the end of the period/year	<u>10,402,414</u>	<u>10,432,175</u>

9. Right-of-use assets

	30 September	31 December
	2024	2023
	(Unaudited)	(Audited)
	QR'000	QR'000
Balance at the beginning of the period/year	8,810	8,913
Additions	838	3,026
Amortisation for the period/year	(3,916)	(3,129)
Balance at the end of the period/year	<u>5,732</u>	<u>8,810</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

10. Intangible assets

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	7,105	3,911
Additions	-	5,043
Amortisation for the period/year	(1,252)	(1,849)
Balance at the end of the period/year	<u>5,853</u>	<u>7,105</u>

11. Investment in associates and and joint venture

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
United Readymix W.L.L. (i)	13,056	16,128
Diarona District Energy Limited (ii)	13	356
	<u>13,069</u>	<u>16,484</u>
Balance at the beginning of the period/year	16,484	27,436
Additions	-	1,079
Share of results for the period/year	(215)	(4,031)
Dividend received	(3,200)	(8,000)
Balance at the end of the period/year	<u>13,069</u>	<u>16,484</u>

(i) Represents the Group's shareholding of 32% in United Readymix W.L.L., a company incorporated in the State of Qatar engaged in the production and sale of ready-mix concrete and other building materials.

(ii) Represents the Group's shareholding of 33% in Diarona District Energy Limited, a company incorporated in the Kingdom of Saudi Arabia engaged in the provision of district cooling services.

12. Investment securities

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	62,813	51,493
Fair value (loss) / gain	(5,191)	11,320
Balance at the end of the period/year	<u>57,622</u>	<u>62,813</u>
Quoted shares inside Qatar	28,046	29,158
Quoted shares outside Qatar	29,576	33,655
	<u>57,622</u>	<u>62,813</u>

13. Inventories

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Land and properties held for trading	64,205	65,553
Energy transfer stations	6,256	6,996
Material and spare parts	21,111	17,355
Food, beverage and consumables	6,267	7,603
	<u>97,839</u>	<u>97,507</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

14. Deferred costs

These represent costs incurred in respect of connection revenue and one-time capacity revenue that is recognised on a straight-line basis over the term of the contracts with the customers, which is in line with the recognition of revenue from these sources.

15. Accounts and other receivables

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Non-current:		
Accounts receivable	141,833	294,153
Finance lease receivables	172,675	160,879
Long term deposits	34,169	25,583
Deferred tax asset	1,405	1,405
	<u>350,082</u>	<u>482,020</u>
Current:		
Accounts receivable, net	879,301	900,673
Advances to contractors	245,050	312,657
Finance lease receivables	30,569	20,664
Prepayments and accruals	40,225	31,409
Others	28,914	20,413
	<u>1,224,059</u>	<u>1,285,816</u>

16. Cash and bank balances

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Cash in hand and bank balances	528,889	557,325
Time deposits	942,024	1,169,655
Total cash and bank balances	<u>1,470,913</u>	<u>1,726,980</u>
Less: Declared unclaimed dividend	(13,273)	(15,378)
Less: Time deposits with original maturities greater than 90 days	(875,831)	(761,089)
Cash and cash equivalents	<u>581,809</u>	<u>950,513</u>

17. Share capital

Share capital represents 3,540,862,500 authorised, issued and fully paid ordinary shares of QR 1 each.

18. Other reserve

Other reserve represent revaluation reserve which is used to recognise increases in the fair value of property, plant and equipment that were subject to fair valuation. Decrease in fair value is recognised in the reserve only to the extent it relates to an increase in fair value of the same asset previously recognised in equity.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

19. Loans and borrowings

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Loans and borrowings	5,468,643	5,172,654
Unamortised costs associated with raising finance	(27,737)	(24,306)
	<u>5,440,906</u>	<u>5,148,348</u>
Presented as:		
Non-current liabilities	4,888,645	3,842,429
Current liabilities	552,261	1,305,919
	<u>5,440,906</u>	<u>5,148,348</u>

20. Accounts and other payables

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Non-current:		
Master community reserve fund and advances received from customers	<u>271,931</u>	<u>125,889</u>
Current:		
Accounts payable	112,921	109,778
Accrued contract costs	106,050	193,925
Advances received from customers	285,846	456,682
Other accruals	693,338	712,813
Income tax payable	6,928	7,503
Amounts due to related parties (Note 25)	6,553	5,899
Other liabilities	444,784	476,347
	<u>1,656,420</u>	<u>1,962,947</u>

21. Retention payable

Retention payable represents amounts withheld from payments to contractors as per contractual terms. These amounts are payable upon completion of work and satisfactory discharge of obligations by the relevant contractors.

22. Deferred revenue

Deferred revenue represents connection fees and one-time capacity revenues that will be recognised in the statement of profit or loss on a straight-line basis over the term of the contracts with customers. Related direct costs are recognised into the statement of profit or loss at the same time (Note 14).

23. Employees' end-of-service benefits

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	59,175	54,279
Charge for the period/year	8,196	10,388
Payments during the period/year	(12,455)	(5,492)
Balance at the end of the period/year	<u>54,916</u>	<u>59,175</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

24. Lease liabilities

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	9,868	9,509
Additions	838	3,026
Lease payments during the period/year	(4,245)	(3,157)
Interest expense on lease liabilities	291	490
Balance at the end of the period/year	<u>6,752</u>	<u>9,868</u>
Presented as:		
Non-current liabilities	5,739	7,752
Current liabilities	<u>1,013</u>	<u>2,116</u>
	<u>6,752</u>	<u>9,868</u>

25. Related parties

Note 3.2 and Note 11 provide information about the Group structure for subsidiaries, associate and joint venture respectively. During the period certain transactions have occurred with related parties on the same commercial terms and conditions as third parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with the related parties and nature of significant transactions and amounts involved are as follows:

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Due to Orbital Doha Limited (amounts due to related parties) (Note 20)	<u>(6,553)</u>	<u>(5,899)</u>

26. Income tax

	2024 (Unaudited) QR'000	Nine-month period ended 30- September 2023 (Unaudited) QR'000
Expense for the current period	3,578	7,350
Change in estimate related to prior year	(8)	75
	<u>3,570</u>	<u>7,425</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

27. Contingent liabilities

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Bank guarantees and bonds	<u>12,180</u>	<u>13,062</u>

The Group anticipates that no material liability will arise from the above guarantees which are issued in the ordinary course of business.

There is a court case between the Company and a developer wherein the developer filed a case against the Company and the Company filed a counterclaim against the developer each seeking compensation for recovery of costs incurred and damages suffered. The case was substantially decreed in favour of the Company, however the developer's claim regarding costs incurred was decreed in favour of the developer which was appealed by the Company. Based on the assessment of the Company's lawyers, the provision maintained in the financial statements is adequate and no material additional liability is expected to arise from this case.

28. Capital commitments

	30 September 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Contractual commitments to contractors and suppliers	<u>990,345</u>	<u>1,342,605</u>

29. Financial instruments

The significant accounting policies and methods adopted, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are the same as those that were applied in the consolidated financial statements of the Group as at and for the year ended 31 December 2023.

30. Fair values of financial instruments

Financial assets consist of investment securities, cash and bank balances and receivables. Financial liabilities consist of loans and borrowings, payables, and accrued expenses.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Differences can therefore arise between book value under historical cost method and fair value estimates.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The management considers the carrying amounts of the financial assets and financial liabilities recognised in these interim condensed consolidated financial statements are approximate to their fair values. The entire portfolio of investment securities (Note 12) is classified as Level 1, property, plant and equipment (Note 7) and investment properties (Note 8) are classified as Level 3. There were no transfers between Level 1 and Level 2 fair value measurements during the period.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

31. Segment information

Operating segments

The Group has four 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 following summary describes the operations in each of the Group's reportable segments:

<u>Reportable segment</u>	<u>Nature of operations</u>
Urban development	Real estate development and construction activities
Hospitality and leisure	Investment and development of hotel, leisure facilities and selling of luxurious items
Infrastructure and utilities	Construction and management of district cooling systems and marina activities
Other operations	Providing information technology solutions and other services

The accounting policies of the reportable segments are the same as described in note 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Urban development QR'000	Hospitality and Leisure QR'000	Infra structure & utilities QR'000	Others QR'000	Inter- segment elimination QR'000	Total QR'000
30 September 2024						
(Unaudited)						
Real estate revenue	569,862	-	-	-	(35,935)	533,927
Capacity charges	-	-	237,630	-	(22,091)	215,539
Consumption & ETS sale	-	-	167,095	-	-	167,095
Marina operations	-	-	26,074	-	-	26,074
Food and beverage sale	-	34,372	-	-	-	34,372
Others	-	-	-	278,111	(66,345)	211,766
Revenue	<u>569,862</u>	<u>34,372</u>	<u>430,799</u>	<u>278,111</u>	<u>(124,371)</u>	<u>1,188,773</u>
Finance income	40,039	-	21,016	7,637	-	68,692
Finance costs	(187,234)	109	(21,342)	(16,450)	21,752	(203,165)
Depreciation	(17,302)	(2,672)	(49,412)	(3,558)	(26,729)	(99,673)
Net share of results in associates	236	-	(451)	-	-	(215)
Profit/(loss) for the period	<u>190,399</u>	<u>(34,422)</u>	<u>122,188</u>	<u>20,045</u>	<u>(56,793)</u>	<u>241,417</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024 (continued)

31. Segment information

Operating segments (continued)

	Urban development QR'000	Hospitality and Leisure QR'000	Infra structure & utilities QR'000	Others QR'000	Inter- segment elimination QR'000	Total QR'000
30 September 2023						
(Unaudited)						
Real estate revenue	646,442	-	-	-	(28,766)	617,676
Capacity charges	-	-	208,819	-	(30,409)	178,410
Consumption & ETS sale	-	-	183,411	-	-	183,411
Marina operations	-	-	26,514	-	-	26,514
Food and beverage sale	-	35,195	-	-	-	35,195
Others	-	-	-	233,862	(62,951)	170,911
Revenue	<u>646,442</u>	<u>35,195</u>	<u>418,744</u>	<u>233,862</u>	<u>(122,126)</u>	<u>1,212,117</u>
Finance income	53,420	6	19,458	7,013	-	79,897
Finance costs	(183,492)	(126)	(19,110)	(13,532)	20,179	(196,081)
Depreciation	(18,138)	(2,757)	(45,588)	(2,940)	(26,330)	(95,753)
Net share of results in associates	(3,050)	-	-	-	-	(3,050)
Profit/(loss) for the period	<u>216,586</u>	<u>(46,352)</u>	<u>113,474</u>	<u>10,865</u>	<u>(64,653)</u>	<u>229,920</u>
30 September 2024						
(Unaudited)						
Segment assets	17,658,149	56,025	2,575,615	1,260,711	(1,789,426)	19,761,074
Segment liabilities	<u>7,119,246</u>	<u>255,669</u>	<u>1,413,983</u>	<u>748,026</u>	<u>(1,186,980)</u>	<u>8,349,944</u>
31 December 2023 (Audited)						
Segment assets	17,645,794	44,373	2,463,944	1,193,766	(1,771,765)	19,576,112
Segment liabilities	<u>7,102,622</u>	<u>209,595</u>	<u>1,408,904</u>	<u>661,956</u>	<u>(1,172,900)</u>	<u>8,210,177</u>

Geographical segments

The Group has not diversified its activities outside of the State of Qatar except for United Development Investment Company (Note 3.2) and Diarona District Energy Limited (Note 11). Majority of the Group assets are in the State of Qatar, accordingly, there are no distinctly identifiable geographical segments in the Group as at 30 September 2024.

32. Dividend

On 31 March 2024 the Company held its annual general meeting for the year 2023 which, among other things, approved a cash dividend of 5.5% of share capital amounting to QR 194.7 million.

On 6 March 2023, the Company held its annual general meeting for the year 2022 which, among other things, approved a cash dividend of 5.5% of share capital amounting to QR 194.7 million.