

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

**Interim condensed consolidated financial statements  
as at and for the period ended 31 March 2023**

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

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## **Interim condensed consolidated financial statements as at and for the period ended 31 March 2023**

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

### Interim consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023

	Note	Three-month period ended 31 March	
		2023 (Unaudited) QR'000	2022 (Unaudited) QR'000
Revenue		562,757	385,857
Cost of revenue		(366,896)	(219,789)
<b>Gross profit</b>		<b>195,861</b>	<b>166,068</b>
Dividend income		-	38
Other operating income		14,128	9,919
Fair value (loss)/gain on investment securities		(1,409)	3,919
General and administrative expenses		(76,551)	(70,119)
Sales and marketing expenses		(4,513)	(11,742)
<b>Operating profit</b>		<b>127,516</b>	<b>98,083</b>
Finance income		28,244	15,837
Finance costs		(61,234)	(30,447)
<b>Net finance costs</b>		<b>(32,990)</b>	<b>(14,610)</b>
Net share of results of associates		(1,399)	(237)
<b>Profit before tax</b>		<b>93,127</b>	<b>83,236</b>
Income tax		(254)	(550)
<b>Net profit for the period</b>		<b>92,873</b>	<b>82,686</b>
<b>Net profit for the period attributable to:</b>			
Equity holders of the Parent		88,022	80,288
Non-controlling interests		4,851	2,398
		<b>92,873</b>	<b>82,686</b>
<b>Earnings per share attributable to equity holders of the Parent:</b>			
Basic and diluted earnings per share (QR)	6	<b>0.025</b>	0.023
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>92,873</b>	<b>82,686</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Parent		88,022	80,288
Non-controlling interests		4,851	2,398
		<b>92,873</b>	<b>82,686</b>

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 31 March 2023

	Note	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	3,538,780	3,561,834
Investment properties	8	10,768,394	10,794,047
Right-of-use assets	9	8,533	8,913
Intangible assets	10	4,077	3,911
Investment in associates	11	22,837	27,436
Investment securities	12	50,084	51,493
Accounts and other receivables	15	500,733	575,438
Deferred costs	14	122,161	122,037
<b>Total non-current assets</b>		<b>15,015,599</b>	<b>15,145,109</b>
<b>Current assets</b>			
Inventories, net	13	103,565	101,827
Work in progress		1,727,239	1,738,505
Accounts and other receivables	15	1,865,278	1,870,725
Deferred costs	14	14,676	14,676
Cash and bank balances	16	1,652,183	2,029,082
<b>Total current assets</b>		<b>5,362,941</b>	<b>5,754,815</b>
<b>Total assets</b>		<b>20,378,540</b>	<b>20,899,924</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	17	3,540,862	3,540,862
Legal reserve		1,770,431	1,770,431
Other reserve	18	1,212,049	1,212,049
Retained earnings		4,476,001	4,582,726
<b>Equity attributable to equity holders of the parent</b>		<b>10,999,343</b>	<b>11,106,068</b>
Non-controlling interests		71,119	70,688
<b>Total equity</b>		<b>11,070,462</b>	<b>11,176,756</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	19	3,455,383	3,545,201
Accounts and other payables	20	109,562	105,417
Retention payable	21	153,862	153,862
Deferred revenue	22	646,080	650,688
Employees' end-of-service benefits	23	56,587	54,279
Lease liabilities	24	8,450	7,544
<b>Total non-current liabilities</b>		<b>4,429,924</b>	<b>4,516,991</b>
<b>Current liabilities</b>			
Loans and borrowings	19	1,813,849	1,828,332
Accounts and other payables	20	2,911,674	3,228,730
Retention payable	21	84,376	82,414
Deferred revenue	22	67,477	64,736
Lease liabilities	24	778	1,965
<b>Total current liabilities</b>		<b>4,878,154</b>	<b>5,206,177</b>
<b>Total liabilities</b>		<b>9,308,078</b>	<b>9,723,168</b>
<b>Total equity and liabilities</b>		<b>20,378,540</b>	<b>20,899,924</b>

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on their behalf on 19 April 2023 by:

Ibrahim Jassim Al-Othman  
President and Chief Executive Officer

Turki Bin Mohamed Al-Khater  
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 three-month period ended 31 March 2023

	Attributable to equity holders of the Parent					Non- controlling interests	Total equity
	Share capital	Legal reserve	Other reserves	Retained earnings	Total		
	QR'000	QR'000	QR'000	QR'000	QR'000		
Balance at 1 January 2022 (Audited)	3,540,862	1,770,431	1,212,049	4,399,063	10,922,405	75,568	10,997,973
Net profit for the period	-	-	-	80,288	80,288	2,398	82,686
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend paid (Note 31)	-	-	-	(194,747)	(194,747)	(7,243)	(201,990)
<b>Balance at 31 March 2022 (Unaudited)</b>	<b>3,540,862</b>	<b>1,770,431</b>	<b>1,212,049</b>	<b>4,284,604</b>	<b>10,807,946</b>	<b>70,723</b>	<b>10,878,669</b>
Balance at 1 January 2023 (Audited)	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	-	-	-	88,022	88,022	4,851	92,873
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend paid (Note 31)	-	-	-	(194,747)	(194,747)	(4,420)	(199,167)
<b>Balance at 31 March 2023 (Unaudited)</b>	<b>3,540,862</b>	<b>1,770,431</b>	<b>1,212,049</b>	<b>4,476,001</b>	<b>10,999,343</b>	<b>71,119</b>	<b>11,070,462</b>

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 three-month period ended 31 March 2023

	Note	31 March 2023 (Unaudited) QR'000	31 March 2022 (Unaudited) QR'000
<b>Operating activities:</b>			
Profit before tax		93,127	83,236
Adjustments:			
Net share of results in associates		1,399	237
Depreciation on property, plant and equipment	7	31,607	24,833
Write-off of property, plant and equipment	7	764	-
Amortisation of intangible assets	10	205	56
Amortisation of right-of-use assets	9	380	379
Net finance costs		32,990	14,610
Dividend income		-	(38)
Fair value loss/(gain) on investment securities	12	1,409	(3,919)
Provision for employees' end-of-service benefits	23	3,191	2,358
<b>Operating profit before changes in working capital</b>		<b>165,072</b>	<b>121,752</b>
Changes in working capital:			
Inventories		25,130	28,325
Work in progress		11,266	(157,893)
Accounts and other receivables		89,134	41,295
Accounts and other payables		(313,005)	(73,691)
Retention payable		1,962	18,927
Deferred revenue and cost, net		(1,991)	(6,615)
<b>Cash used in operating activities</b>		<b>(22,432)</b>	<b>(27,900)</b>
Finance costs paid		(59,588)	(32,771)
Employees' end-of-service benefits paid	23	(883)	(1,258)
<b>Net cash used in operating activities</b>		<b>(82,903)</b>	<b>(61,929)</b>
<b>Investing activities:</b>			
Additions to property, plant and equipment	7	(9,317)	(53,488)
Additions to intangible assets	10	(371)	(237)
Finance income received		19,262	17,134
Additions to investment properties	8	(1,215)	(24,236)
Repayment of lease liabilities	24	(419)	(393)
Movement in time deposits maturing after three months		(350,764)	9,758
Dividend received from associate	11	3,200	38
<b>Net cash used in investing activities</b>		<b>(339,624)</b>	<b>(51,424)</b>
<b>Financing activities:</b>			
Proceeds from loans and borrowings		42,153	438,003
Repayment of loans and borrowings		(148,122)	(239,102)
Dividend	31	(199,167)	(201,990)
<b>Net cash used in financing activities</b>		<b>(305,136)</b>	<b>(3,089)</b>
Net decrease in cash and cash equivalents		(727,663)	(116,442)
Cash and cash equivalents at the beginning of the period		1,396,178	336,103
<b>Cash and cash equivalents at the end of the period</b>	16	<b>668,515</b>	<b>219,661</b>

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 three-month period ended 31 March 2023

### 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 three-month period ended 31 March 2023 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 three-month period ended 31 March 2023 were authorised for issue in accordance with approval of the Board of the Directors on 19 April 2023.

### 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 2022.

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available upon request from the Company's registered office or at the Company's website [www.udcqatar.com](http://www.udcqatar.com).

### 3. Significant accounting policies

#### 3.1 New and amended standards and interpretations adopted by Group

The accounting policies adopted in these interim condensed consolidated financial statements are consistent with those adopted in the consolidated financial statements of the Group as at and for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. 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 three-month period ended 31 March 2023 (continued)

### 3. Significant accounting policies (continued)

#### 3.1 New and amended standards and interpretations adopted by Group

Following amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

#### 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 31 March 2023. 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
	2023	2022		
Qatar District Cooling Company Q.C.S.C.	91.06	91.06	Qatar	District cooling services
Installation Integrity 2006 W.L.L.	100	100	Qatar	Engineering consultancy
Cool Tech Qatar W.L.L.	100	100	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



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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 3. Significant accounting policies (continued)

##### 3.2 Basis of consolidation (continued)

Name of the subsidiary	% equity interest		Country of incorporation	Principal activities
	2023	2022		
Abraj Al-Mutahida Company W.L.L.	100	100	Qatar	Real estate development
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	-	Qatar	Operation of hospital
United District Energy International W.L.L.	100	-	Qatar	Investment in infrastructure projects

#### Non-controlling interests

	Profit allocation for the three-month period ended		Accumulated balance as at	
	31 March 2023 (Unaudited) QR'000	31 March 2022 (Unaudited) QR'000	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Qatar District Cooling Company Q.C.S.C.	3,717	2,398	76,889	77,592
The Rising Sun L.L.C.	-	-	351	351
United School International W.L.L.	1,134	-	(6,121)	(7,255)
	<u>4,851</u>	<u>2,398</u>	<u>71,119</u>	<u>70,688</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 2022.

#### 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 2022.

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (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 year. There were no instruments or items that could cause a dilutive effect on the earnings per share calculation.

	<b>Three-month period ended 31 March</b>	
	<b>2023</b> <b>(Unaudited)</b>	<b>2022</b> <b>(Unaudited)</b>
Profit for the year attributable to equity holders of the Parent (QR'000)	<b>88,022</b>	80,288
Weighted average number of outstanding shares during the year ('000)	<b>3,540,862</b>	3,540,862
Basic and diluted earnings per share (QR)	<b>0.025</b>	0.023

#### 7. Property, plant and equipment

	<b>31 March 2023</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2022</b> <b>(Audited)</b> <b>QR'000</b>
Carrying value at the beginning of the period/year	<b>3,561,834</b>	3,050,943
Additions	<b>9,317</b>	211,259
Write off, net	<b>(764)</b>	(243)
Transfer from work in progress	-	94,017
Transfer from inventories	-	315,163
Depreciation for the period/year	<b>(31,607)</b>	(109,305)
Carrying value at the end of the period/year	<b>3,538,780</b>	3,561,834

#### 8. Investment properties

	<b>31 March 2023</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2022</b> <b>(Audited)</b> <b>QR'000</b>
Balance at the beginning of the period/year	<b>10,794,047</b>	9,822,212
Additions	<b>1,215</b>	109,293
Transfer from/(to) inventories, net	<b>(26,868)</b>	357,028
Transfer from work in progress	-	571,110
Fair value loss	-	(65,596)
Balance at the end of the period/year	<b>10,768,394</b>	10,794,047

#### 9. Right-of-use assets

	<b>31 March 2023</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2022</b> <b>(Audited)</b> <b>QR'000</b>
Balance at the beginning of the period/year	<b>8,913</b>	11,698
Additions	-	332
Amortisation for the period/year	<b>(380)</b>	(3,117)
Balance at the end of the period/year	<b>8,533</b>	8,913

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 10. Intangible assets

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Balance at the beginning of the period/year	3,911	2,498
Additions	371	2,040
Amortisation for the period/year	<u>(205)</u>	<u>(627)</u>
Balance at the end of the period/year	<u><u>4,077</u></u>	<u><u>3,911</u></u>

#### 11. Investment in associate

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Balance at the beginning of the period/year	27,436	37,954
Share of profit for the period/year	(1,399)	(4,118)
Dividend received	<u>(3,200)</u>	<u>(6,400)</u>
Balance at the end of the period/year	<u><u>22,837</u></u>	<u><u>27,436</u></u>

Investment in associate 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.

#### 12. Investment securities

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Balance at the beginning of the period/year	51,493	49,823
Fair value (loss)/gain	<u>(1,409)</u>	<u>1,670</u>
Balance at the end of the period/year	<u><u>50,084</u></u>	<u><u>51,493</u></u>
Quoted shares inside Qatar	29,687	29,796
Quoted shares outside Qatar	<u>20,397</u>	<u>21,697</u>
	<u><u>50,084</u></u>	<u><u>51,493</u></u>

#### 13. Inventories

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Land and properties held for trading	69,355	65,554
Energy transfer stations	6,764	9,618
Material and spare parts	17,410	17,381
Food, beverage and consumables	<u>10,036</u>	<u>9,274</u>
	<u><u>103,565</u></u>	<u><u>101,827</u></u>

#### 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.

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 15. Accounts and other receivables

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
<b>Non-current:</b>		
Accounts receivable	473,716	548,644
Long term deposits	25,576	25,354
Deferred tax asset	1,440	1,440
	<u>500,732</u>	<u>575,438</u>
<b>Current:</b>		
Accounts receivable, net	929,958	932,076
Advances to contractors	281,705	317,614
Prepayments and accruals	47,511	22,717
Others	606,105	598,318
	<u>1,865,279</u>	<u>1,870,725</u>

#### 16. Cash and bank balances

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Cash in hand and bank balances	353,530	788,650
Time deposits	1,298,653	1,240,432
Total cash and bank balances	<u>1,652,183</u>	<u>2,029,082</u>
Time deposits with original maturities greater than 90 days	(983,668)	(632,904)
Cash and cash equivalents	<u>668,515</u>	<u>1,396,178</u>

#### 17. Share capital

At the reporting date, share capital represents 3,540,862,500 authorised, issued and fully paid ordinary shares of QR 1 each.

#### 18. Other reserves

Other reserves represent asset revaluation reserve that is used to record increases in the fair value of property, plant and equipment that were subject to fair valuation minus decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

#### 19. Loans and borrowings

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Loans and borrowings	5,290,665	5,396,636
Unamortised costs associated with raising finance	(21,433)	(23,103)
	<u>5,269,232</u>	<u>5,373,533</u>
Presented as:		
Non-current liability	3,455,383	3,545,201
Current liability	1,813,849	1,828,332
	<u>5,269,232</u>	<u>5,373,533</u>

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 20. Accounts and other payables

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
<b>Non-current:</b>		
Master community reserve fund	<u>109,562</u>	<u>105,417</u>
<b>Current:</b>		
Accounts payable	88,135	192,210
Accrued contract costs	371,663	372,696
Advances received from customers	1,470,469	1,654,851
Other accruals	683,842	720,604
Income tax payable	4,404	4,150
Amounts due to related parties (Note 25)	8,177	8,139
Other liabilities	<u>284,984</u>	<u>276,080</u>
	<u><b>2,911,674</b></u>	<u><b>3,228,730</b></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

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Balance at the beginning of the period/year	54,279	49,708
Charge for the period/year	3,191	8,311
Payments during the period/year	<u>(883)</u>	<u>(3,740)</u>
Balance at the end of the period/year	<u><b>56,587</b></u>	<u><b>54,279</b></u>

#### 24. Lease liabilities

	31 March 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000
Balance at the beginning of the period/year	9,509	12,162
Additions	-	332
Lease payments during the period/year	(419)	(3,598)
Interest expense on lease liabilities	138	613
Balance at the end of the period/year	<u><b>9,228</b></u>	<u><b>9,509</b></u>
Presented as:		
Non-current liabilities	8,450	7,544
Current liabilities	<u>778</u>	<u>1,965</u>
	<u><b>9,228</b></u>	<u><b>9,509</b></u>

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 25. Related parties

Note 3.2 and Note 11 provide information about the Group structure for subsidiaries and associates 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:

	<b>31 March 2023 (Unaudited) QR'000</b>	31 December 2022 (Audited) QR'000
Amounts due to Orbital Doha Limited	<u>8,177</u>	<u>8,139</u>

#### 26. Contingent liabilities

	<b>31 March 2023 (Unaudited) QR'000</b>	31 December 2022 (Audited) QR'000
Bank guarantees and bonds	<u>5,746</u>	<u>5,746</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 an ongoing court case between the Company and a developer wherein the developer has filed a case against the Company and the Company has filed a counterclaim against the developer, each seeking compensation for recovery of costs incurred and damages suffered. The developer's case was decreed by the court in their favour, but the Company has appealed against the judgement. No profit or loss on this project has been recognized by the Company but based on the assessment of the Company's lawyers, no material additional liability is expected to arise from this case.

#### 27. Capital commitments

	<b>31 March 2023 (Unaudited) QR'000</b>	31 December 2022 (Audited) QR'000
Contractual commitments to contractors and suppliers	<u>1,513,723</u>	<u>1,511,269</u>

#### 28. 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 2022.

#### 29. Fair values of financial instruments

Financial assets consist of investment securities, cash and bank balances, available-for-sale financial assets 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.

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 29. Fair values of financial instruments (continued)

##### *Fair value hierarchy*

The Company 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.

#### 30. 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.

#### Geographical segments

The Group has not diversified its activities outside of the State of Qatar except for United Development Investment Company (established in Cayman Island), which does not have any material operations outside Qatar. Majority of the Group assets are in the State of Qatar, accordingly, there are no distinctly identifiable geographical segments in the Group as at 31 March 2022.

	Urban development QR'000	Hospitality and leisure QR'000	Infrastructure and utilities QR'000	Others QR'000	Inter-segment elimination QR'000	Total QR'000
<u>31 March 2023 (Unaudited):</u>						
Real estate revenue	398,651	-	-	-	(3,926)	394,725
Capacity charges	-	-	79,085	-	(12,770)	66,315
Consumption & ETS sale	-	-	26,538	-	-	26,538
Marina operations	-	-	8,721	-	-	8,721
Food and beverage sale	-	14,895	-	-	-	14,895
Others	-	-	-	76,943	(25,380)	51,563
Revenue	<u>398,651</u>	<u>14,895</u>	<u>114,344</u>	<u>76,943</u>	<u>(42,076)</u>	<u>562,757</u>

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

### Notes to the interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2023 (continued)

#### 30. Operating segments (continued)

	Urban development QR'000	Hospitality and leisure QR'000	Infrastructure and utilities QR'000	Others QR'000	Inter- segment elimination QR'000	Total QR'000
<b>31 March 2023 (Unaudited):</b>						
Finance income	20,020	4	6,256	1,964	-	28,244
Finance costs	(57,579)	(40)	(5,776)	(78)	2,239	(61,234)
Depreciation	(6,071)	(1,326)	(15,102)	(888)	(8,220)	(31,607)
Net share of results in associates	(1,399)	-	-	-	-	(1,399)
Profit/(loss) for the period	<u>108,752</u>	<u>(12,516)</u>	<u>42,049</u>	<u>12,296</u>	<u>(57,708)</u>	<u>92,873</u>
<b>31 March 2022 (Unaudited):</b>						
Real estate revenue	234,484	-	-	-	-	234,484
Capacity charges	-	-	61,964	-	(5,349)	56,615
Consumption & ETS sale	-	-	32,173	-	(5,965)	26,208
Marina operations	-	-	8,429	-	-	8,429
Food and beverage sale	-	7,762	-	-	-	7,762
Others	13,337	-	-	56,259	(17,237)	52,359
Revenue	<u>247,821</u>	<u>7,762</u>	<u>102,566</u>	<u>56,259</u>	<u>(28,551)</u>	<u>385,857</u>
Finance income	13,378	2	1,982	475	-	15,837
Finance costs	(28,697)	(45)	(3,943)	-	2,238	(30,447)
Depreciation	(6,030)	(461)	(15,448)	(50)	(2,844)	(24,833)
Net share of results in associates	(237)	-	-	-	-	(237)
Profit/(loss) for the period	<u>125,777</u>	<u>(1,839)</u>	<u>27,224</u>	<u>6,594</u>	<u>(75,070)</u>	<u>82,686</u>
<b>31 March 2023 (Unaudited):</b>						
Segment assets	17,351,743	48,650	2,319,852	1,111,001	(452,706)	20,378,540
Segment liabilities	<u>7,618,428</u>	<u>171,198</u>	<u>1,410,131</u>	<u>593,367</u>	<u>(485,046)</u>	<u>9,308,078</u>
<b>31 December 2022 (Audited):</b>						
Segment assets	17,711,521	53,700	2,428,606	1,156,666	(450,569)	20,899,924
Segment liabilities	<u>7,879,544</u>	<u>163,732</u>	<u>1,512,382</u>	<u>649,427</u>	<u>(481,917)</u>	<u>9,723,168</u>

#### 31. Dividend

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. On 9 March 2022, the Company held its annual general meeting for the year 2021 which, among other things, approved a cash dividend of 5.5% of share capital amounting to QR 194.7 million.

#### 32. Comparative information

Certain comparative figures have been reclassified to conform to the presentation in the current period, however, such reclassifications did not have any effect on the net profit and net equity of the comparative period.