

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

**Interim condensed consolidated financial statements  
as at and for the period ended 31 March 2024**

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<b>Contents</b>	<b>Page</b>
Interim consolidated statement of profit or loss and other comprehensive income	1
Interim consolidated statement of financial position	2
Interim consolidated statement of changes in equity	3
Interim consolidated statement of cash flows	4
Notes to the interim condensed consolidated financial statements	5 – 14

## 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 2024

	Note	Three-month period ended 31 March	
		2024 (Unaudited) QR'000	2023 (Unaudited) QR'000
Revenue		470,707	562,757
Cost of revenue		(300,335)	(366,896)
<b>Gross profit</b>		<b>170,372</b>	<b>195,861</b>
Other operating income		37,209	14,128
Fair value loss on investment securities		(4,043)	(1,409)
General and administrative expenses		(76,885)	(76,551)
Sales and marketing expenses		(11,296)	(4,513)
<b>Operating profit</b>		<b>115,357</b>	<b>127,516</b>
Finance income		25,882	28,244
Finance costs		(66,566)	(61,234)
<b>Net finance costs</b>		<b>(40,684)</b>	<b>(32,990)</b>
Net, share of results of associates		905	(1,399)
<b>Profit before tax</b>		<b>75,578</b>	<b>93,127</b>
Income tax		(16)	(254)
<b>Net profit for the period</b>		<b>75,562</b>	<b>92,873</b>
<b>Net profit for the period attributable to:</b>			
Equity holders of the Parent		72,493	88,022
Non-controlling interests		3,069	4,851
		<b>75,562</b>	<b>92,873</b>
<b>Earnings per share attributable to equity holders of the Parent:</b>			
Basic and diluted earnings per share (QR)	6	<b>0.020</b>	<b>0.025</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>75,562</b>	<b>92,873</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Parent		72,493	88,022
Non-controlling interests		3,069	4,851
		<b>75,562</b>	<b>92,873</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 2024

	Note	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	3,481,570	3,504,202
Investment properties	8	10,419,345	10,432,175
Right-of-use assets	9	10,887	8,810
Intangible assets	10	6,690	7,105
Investment in associates and joint venture	11	14,189	16,484
Investment securities	12	58,770	62,813
Accounts and other receivables	15	447,543	482,020
Deferred costs	14	112,014	115,621
<b>Total non-current assets</b>		<b>14,551,008</b>	<b>14,629,230</b>
<b>Current assets</b>			
Inventories, net	13	83,484	97,507
Work in progress		1,987,373	1,821,456
Accounts and other receivables	15	1,369,318	1,285,816
Deferred costs	14	16,256	15,123
Cash and bank balances	16	1,490,112	1,726,980
<b>Total current assets</b>		<b>4,946,543</b>	<b>4,946,882</b>
<b>Total assets</b>		<b>19,497,551</b>	<b>19,576,112</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	3,540,862	3,540,862
Legal reserve		1,770,431	1,770,431
Other reserves	18	1,208,727	1,208,727
Retained earnings		4,657,738	4,779,992
<b>Equity attributable to equity holders of the parent</b>		<b>11,177,758</b>	<b>11,300,012</b>
Non-controlling interests		67,517	65,923
<b>Total equity</b>		<b>11,245,275</b>	<b>11,365,935</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	19	4,707,208	3,842,429
Accounts and other payables	20	130,216	125,889
Retention payable	21	36,166	31,080
Deferred revenue	22	614,293	628,980
Employees' end-of-service benefits	23	61,234	59,175
Lease liabilities	24	9,396	7,752
<b>Total non-current liabilities</b>		<b>5,558,513</b>	<b>4,695,305</b>
<b>Current liabilities</b>			
Loans and borrowings	19	556,041	1,305,919
Accounts and other payables	20	1,901,260	1,962,947
Retention payable	21	166,229	176,663
Deferred revenue	22	67,579	67,227
Lease liabilities	24	2,654	2,116
<b>Total current liabilities</b>		<b>2,693,763</b>	<b>3,514,872</b>
<b>Total liabilities</b>		<b>8,252,276</b>	<b>8,210,177</b>
<b>Total equity and liabilities</b>		<b>19,497,551</b>	<b>19,576,112</b>

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on their behalf on 24 April 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 three-month period ended 31 March 2024

	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 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>
Balance at 1 January 2024 (Audited)	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	-	-	-	72,493	72,493	3,069	75,562
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend paid (Note 31)	-	-	-	(194,747)	(194,747)	(1,475)	(196,222)
<b>Balance at 31 March 2024 (Unaudited)</b>	<b>3,540,862</b>	<b>1,770,431</b>	<b>1,208,727</b>	<b>4,657,738</b>	<b>11,177,758</b>	<b>67,517</b>	<b>11,245,275</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 2024

	Note	31 March 2024 (Unaudited) QR'000	31 March 2023 (Unaudited) QR'000
<b>Operating activities:</b>			
Profit before tax		75,578	93,127
Adjustments:			
Net share of results in associates		(905)	1,399
Depreciation on property, plant and equipment	7	32,962	31,607
Write-off of property, plant and equipment		-	764
Amortisation of intangible assets	10	415	205
Amortisation of right-of-use assets	9	612	380
Net finance costs		40,684	32,990
Fair value loss on investment securities	12	4,043	1,409
Provision for employees' end-of-service benefits	23	3,098	3,191
<b>Operating profit before changes in working capital</b>		<b>156,487</b>	<b>165,072</b>
Changes in working capital:			
Inventories		49,187	25,130
Work in progress		(165,917)	11,266
Accounts and other receivables		(51,171)	89,134
Accounts and other payables		(60,723)	(313,005)
Retention payable		(5,348)	1,962
Deferred revenue and cost, net		(11,861)	(1,991)
<b>Cash used in operating activities</b>		<b>(89,346)</b>	<b>(22,432)</b>
Finance costs paid		(62,929)	(59,588)
Employees' end-of-service benefits paid	23	(1,039)	(883)
<b>Net cash used in operating activities</b>		<b>(153,314)</b>	<b>(82,903)</b>
<b>Investing activities:</b>			
Additions to property, plant and equipment	7	(10,330)	(9,317)
Additions to intangible assets		-	(371)
Finance income received		28,028	19,262
Additions to investment properties	8	(22,334)	(1,215)
Repayment of lease liabilities	24	(645)	(419)
Movement in time deposits maturing after three months		(61,832)	(350,764)
Dividend received from associate	11	3,200	3,200
<b>Net cash used in investing activities</b>		<b>(63,913)</b>	<b>(339,624)</b>
<b>Financing activities:</b>			
Proceeds from loans and borrowings		313,844	42,153
Repayment of loans and borrowings		(198,943)	(148,122)
Dividend		(196,222)	(199,167)
<b>Net cash used in financing activities</b>		<b>(81,321)</b>	<b>(305,136)</b>
Net decrease in cash and cash equivalents		(298,548)	(727,663)
Cash and cash equivalents at the beginning of the period		950,513	1,396,178
<b>Cash and cash equivalents at the end of the period</b>	16	<b>651,965</b>	<b>668,515</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 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 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 2024 were authorised for issue in accordance with approval of the Board of the Directors on 24 April 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.

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](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 2023, except for the adoption of new standards 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 three-month period ended 31 March 2024 (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.

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

#### 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 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.	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 2024 (continued)

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

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

Name of the subsidiary	% equity interest		Country of incorporation	Principal activities
	2024	2023		
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	65	Qatar	Operation of hospital
United District Energy International W.L.L.	100	100	Qatar	Investment in infrastructure projects

#### Non-controlling interests

	Profit allocation for the three-month period ended		Accumulated balance as at	
	31 March 2024 (Unaudited) QR'000	31 March 2023 (Unaudited) QR'000	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Qatar District Cooling Company Q.C.S.C.	3,836	3,717	87,011	84,650
United Medical Company W.L.L.	(231)	-	(319)	(88)
The Rising Sun L.L.C.	-	-	351	351
United School International W.L.L.	(536)	1,134	(19,526)	(18,990)
	<u>3,069</u>	<u>4,851</u>	<u>67,517</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 three-month period ended 31 March 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 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>2024</b> <b>(Unaudited)</b>	<b>2023</b> <b>(Unaudited)</b>
Profit for the year attributable to equity holders of the Parent (QR'000)	72,493	88,022
Weighted average number of outstanding shares during the year ('000)	3,540,862	3,540,862
Basic and diluted earnings per share (QR)	<u>0.020</u>	<u>0.025</u>

#### 7. Property, plant and equipment

	<b>31 March 2024</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2023</b> <b>(Audited)</b> <b>QR'000</b>
Carrying value at the beginning of the period/year	3,504,202	3,561,834
Additions	10,330	88,182
Revaluation	-	(3,322)
Impairment	-	(8,144)
Disposals, net	-	(6,412)
Depreciation for the period/year	<u>(32,962)</u>	<u>(127,936)</u>
Carrying value at the end of the period/year	<u>3,481,570</u>	<u>3,504,202</u>

#### 8. Investment properties

	<b>31 March 2024</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2023</b> <b>(Audited)</b> <b>QR'000</b>
Balance at the beginning of the period/year	10,432,175	10,794,047
Additions	22,334	6,229
Transfers, net	(35,164)	(235,700)
Fair value loss	-	(132,401)
Balance at the end of the period/year	<u>10,419,345</u>	<u>10,432,175</u>

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

	<b>31 March 2024</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2023</b> <b>(Audited)</b> <b>QR'000</b>
Balance at the beginning of the period/year	8,810	8,913
Additions	2,689	3,026
Amortisation for the period/year	<u>(612)</u>	<u>(3,129)</u>
Balance at the end of the period/year	<u>10,887</u>	<u>8,810</u>

#### 10. Intangible assets

	<b>31 March 2024</b> <b>(Unaudited)</b> <b>QR'000</b>	<b>31 December 2023</b> <b>(Audited)</b> <b>QR'000</b>
Balance at the beginning of the period/year	7,105	3,911
Additions	-	5,043
Amortisation for the period/year	<u>(415)</u>	<u>(1,849)</u>
Balance at the end of the period/year	<u>6,690</u>	<u>7,105</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 2024 (continued)

#### 11. Investment in associate and joint venture

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	16,484	27,436
Additions	-	1,079
Share of profit for the period/year	905	(4,031)
Dividend received	(3,200)	(8,000)
Balance at the end of the period/year	<u>14,189</u>	<u>16,484</u>

Investment in associate and joint venture 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 and 33.3% in Diarona District Energy Limited, a company incorporated in the Kingdom of Saudi Arabia, to bid for a government cooling infrastructure project.

#### 12. Investment securities

	31 March 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	(4,043)	11,320
Balance at the end of the period/year	<u>58,770</u>	<u>62,813</u>
Quoted shares inside Qatar	26,900	29,158
Quoted shares outside Qatar	<u>31,870</u>	<u>33,655</u>
	<u>58,770</u>	<u>62,813</u>

#### 13. Inventories

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Land and properties held for trading	48,356	65,553
Energy transfer stations	7,139	6,996
Material and spare parts	21,295	17,355
Food, beverage and consumables	6,694	7,603
	<u>83,484</u>	<u>97,507</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 2024 (continued)

#### 15. Accounts and other receivables

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
<b>Non-current:</b>		
Accounts receivable	246,892	294,153
Finance lease receivables	173,745	160,879
Long term deposits	25,501	25,583
Deferred tax asset	1,405	1,405
	<u>447,543</u>	<u>482,020</u>
<b>Current:</b>		
Accounts receivable, net	959,525	900,673
Advances to contractors	321,798	312,657
Finance lease receivables	24,474	20,664
Prepayments and accruals	36,285	31,409
Others	27,236	20,413
	<u>1,369,318</u>	<u>1,285,816</u>

#### 16. Cash and bank balances

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Cash in hand and bank balances	425,724	557,325
Time deposits	1,064,388	1,169,655
Total cash and bank balances	<u>1,490,112</u>	<u>1,726,980</u>
Less: Declared unclaimed dividend	(15,226)	(15,378)
Less: Time deposits with original maturities greater than 90 days	<u>(822,921)</u>	<u>(761,089)</u>
Cash and cash equivalents	<u>651,965</u>	<u>950,513</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 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Loans and borrowings	5,292,599	5,172,654
Unamortised costs associated with raising finance	(29,350)	(24,306)
	<u>5,263,249</u>	<u>5,148,348</u>
Presented as:		
Non-current liability	4,707,208	3,842,429
Current liability	556,041	1,305,919
	<u>5,263,249</u>	<u>5,148,348</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 2024 (continued)

#### 20. Accounts and other payables

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
<b>Non-current:</b>		
Master community reserve fund	130,216	125,889
<b>Current:</b>		
Accounts payable	129,181	109,778
Accrued contract costs	195,033	193,925
Advances received from customers	380,887	456,682
Other accruals	694,477	712,813
Income tax payable	8,162	7,503
Amounts due to related parties (Note 25)	5,994	5,899
Other liabilities	487,526	476,347
	<u>1,901,260</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

	31 March 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	3,098	10,388
Payments during the period/year	(1,039)	(5,492)
Balance at the end of the period/year	<u>61,234</u>	<u>59,175</u>

#### 24. Lease liabilities

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	9,868	9,509
Additions	2,689	3,026
Lease payments during the period/year	(645)	(3,157)
Interest expense on lease liabilities	138	490
Balance at the end of the period/year	<u>12,050</u>	<u>9,868</u>
Presented as:		
Non-current liabilities	9,396	7,752
Current liabilities	2,654	2,116
	<u>12,050</u>	<u>9,868</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 2024 (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:

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Amounts due to Orbital Doha Limited	<u>(5,994)</u>	<u>(5,899)</u>

#### 26. Contingent liabilities

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Bank guarantees and bonds	<u>10,974</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, no material additional liability is expected to arise from this case.

#### 27. Capital commitments

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Contractual commitments to contractors and suppliers	<u>1,075,265</u>	<u>1,342,605</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 2023.

#### 29. Fair values of financial instruments

Financial assets consist of investment securities, cash and bank balances, fair value through profit or loss 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 2024 (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 2024.

	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 2024 (Unaudited):</u>						
Real estate revenue	289,504	-	-	-	(10,497)	279,007
Capacity charges	-	-	79,159	-	(8,028)	71,131
Consumption & ETS sale	-	-	31,783	-	-	31,783
Marina operations	-	-	9,091	-	-	9,091
Food and beverage sale	-	14,226	-	-	-	14,226
Others	-	-	-	92,013	(26,544)	65,469
Revenue	289,504	14,226	120,033	92,013	(45,069)	470,707

## 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 2024 (continued)

#### 30. Operating segments (continued)

	Urban development QR'000	Hospitality and leisure QR'000	Infrastructur e and utilities QR'000	Others QR'000	Inter- segment elimination QR'000	Total QR'000
<b>31 March 2024 (Unaudited):</b>						
Finance income	15,584	-	7,825	2,473	-	25,882
Finance costs	(61,153)	(220)	(7,181)	(5,062)	7,050	(66,566)
Depreciation	(5,768)	(1,381)	(15,696)	(1,148)	(8,969)	(32,962)
Net share of results in associates	905	-	-	-	-	905
Profit/(loss) for the period	<u>49,277</u>	<u>(10,266)</u>	<u>43,152</u>	<u>10,913</u>	<u>(17,514)</u>	<u>75,562</u>
<b>31 March 2023 (Unaudited):</b>						
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>
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 2024 (Unaudited):</b>						
Segment assets	17,561,167	55,494	2,442,797	1,226,541	(1,788,448)	19,497,551
Segment liabilities	<u>7,159,266</u>	<u>230,982</u>	<u>1,361,105</u>	<u>688,104</u>	<u>(1,187,181)</u>	<u>8,252,276</u>
<b>31 December 2023 (Audited):</b>						
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>

#### 31. 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.

#### 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.



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

### Interim consolidated statement of cash flows for the three-month period ended 31 March 2024

	Note	31 March 2024 (Unaudited) QR'000	31 March 2023 (Unaudited) QR'000
<b>Operating activities:</b>			
Profit before tax		75,578	93,127
Adjustments:			
Net share of results in associates		(905)	1,399
Depreciation on property, plant and equipment	7	32,962	31,607
Write-off of property, plant and equipment		-	764
Amortisation of intangible assets	10	415	205
Amortisation of right-of-use assets	9	612	380
Net finance costs		40,684	32,990
Fair value loss on investment securities	12	4,043	1,409
Provision for employees' end-of-service benefits	23	3,098	3,191
<b>Operating profit before changes in working capital</b>		<b>156,487</b>	<b>165,072</b>
Changes in working capital:			
Inventories		49,187	25,130
Work in progress		(165,917)	11,266
Accounts and other receivables		(51,171)	89,134
Accounts and other payables		(60,723)	(313,005)
Retention payable		(5,348)	1,962
Deferred revenue and cost, net		(11,861)	(1,991)
<b>Cash used in operating activities</b>		<b>(89,346)</b>	<b>(22,432)</b>
Finance costs paid		(62,929)	(59,588)
Employees' end-of-service benefits paid	23	(1,039)	(883)
<b>Net cash used in operating activities</b>		<b>(153,314)</b>	<b>(82,903)</b>
<b>Investing activities:</b>			
Additions to property, plant and equipment	7	(10,330)	(9,317)
Additions to intangible assets		-	(371)
Finance income received		28,028	19,262
Additions to investment properties	8	(22,334)	(1,215)
Repayment of lease liabilities	24	(645)	(419)
Movement in time deposits maturing after three months		(61,832)	(350,764)
Dividend received from associate	11	3,200	3,200
<b>Net cash used in investing activities</b>		<b>(63,913)</b>	<b>(339,624)</b>
<b>Financing activities:</b>			
Proceeds from loans and borrowings		313,844	42,153
Repayment of loans and borrowings		(198,943)	(148,122)
Dividend		(196,222)	(199,167)
<b>Net cash used in financing activities</b>		<b>(81,321)</b>	<b>(305,136)</b>
Net decrease in cash and cash equivalents		(298,548)	(727,663)
Cash and cash equivalents at the beginning of the period		950,513	1,396,178
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>651,965</b>	<b>668,515</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 2024

	Note	31 March 2024 (Unaudited) QR'000	31 March 2023 (Unaudited) QR'000
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## United Development Company Q.P.S.C.

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