



Alijarah Holding Q.P.S.C.

Interim Condensed Consolidated Financial Statements

30 June 2021

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ALIJARAH HOLDING Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aljjarah Holding Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2021, which comprise the interim consolidated statement of financial position as at 30 June 2021 and the related interim consolidated statements of comprehensive income for the six-month period ended 30 June 2021, interim consolidated statement of changes in equity and cash flows for the six-month period then ended and the related explanatory notes.

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

Scope of review

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

Conclusion

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


Nad Nader
of Ernst & Young
Auditor's Registration No. 258



Date: 15 July 2021
Doha

| | Notes | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|--|-------|----------------------------------|-------------------------------------|
| ASSETS | | | |
| Balances with financial institutions and cash | 5 | 299,782,249 | 337,905,503 |
| Instalments and due from customers | | 14,982,361 | 18,686,650 |
| Investment securities | 6 | 211,894,375 | 226,332,347 |
| Inventories | 7 | 476,736 | 550,343 |
| Prepayments and other receivables | | 4,834,965 | 5,939,151 |
| Assets held for sale and discontinued operations | 8 | 6,075,000 | 9,700,000 |
| Property and equipment | 9 | 111,521,575 | 114,998,661 |
| Right-of-use asset | | 570,785 | 599,089 |
| Investment properties | | 99,047,641 | 99,047,641 |
| Intangible assets | | 8,354,156 | 8,447,880 |
| Total assets | | 757,539,843 | 822,207,265 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Accounts payable, accruals and other payables | | 38,523,755 | 64,056,603 |
| Islamic financing under Wakalah Arrangements | 10 | 30,573,558 | 41,889,836 |
| Contract liabilities | | 10,014,635 | 16,243,443 |
| Lease liability | | 791,765 | 771,036 |
| Total liabilities | | 79,903,713 | 122,970,918 |
| EQUITY | | | |
| Share capital | 11 | 494,802,000 | 494,802,000 |
| Legal reserve | 12 | 350,158,059 | 362,528,109 |
| Fair value reserve | | (3,250,057) | (1,823,931) |
| Accumulated losses | | (164,073,872) | (156,269,831) |
| Total equity | | 677,636,130 | 699,236,347 |
| Total liabilities and equity | | 757,539,843 | 822,207,265 |

These interim condensed consolidated financial statements were approved by the Board of Directors on 15th July 2021 and signed on their behalf by:



Falah Bin Jassim Bin Jabr Al-Thani
 Chairman



Hamed Shareef Al-Ernadi
 Chief Executive Officer

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The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

| | Notes | For the six-month period ended 30 June | |
|--|-------|--|--------------------------|
| | | 2021 (Reviewed) QR | 2020 (Reviewed) QR |
| Income | | | |
| Revenue from core business | 14 | 14,644,464 | 21,996,084 |
| (Loss) Income from investments | | (3,402,139) | 32,105,327 |
| Other income | | 158,676 | 217,237 |
| Total revenues and income | | 11,401,001 | 54,319,648 |
| Expenses | | | |
| Operating expenses | | (10,298,775) | (26,648,276) |
| General and administration expenses | | (15,831,179) | (16,379,007) |
| Total expenses | | (26,129,954) | (43,027,283) |
| Net operating (loss) income | | (14,728,953) | 11,292,365 |
| Finance income from deposits with Islamic banks | | 1,976,000 | 3,173,732 |
| Finance cost - Islamic financing under Wakalah Arrangements | | (477,591) | (780,446) |
| Net finance income | | 1,498,409 | 2,393,286 |
| (Loss) Profit before tax from continuing operations | | (13,230,544) | 13,685,651 |
| Income tax expense | | (23,028) | - |
| (Loss) Profit for the period from continuing operations | | (13,253,572) | 13,685,651 |
| Discontinued Operations | | | |
| Profit (Loss) for the period from discontinued operations | | 5,449,531 | (7,170,229) |
| (Loss) Profit for the period | | (7,804,041) | 6,515,422 |
| Earnings per share | | | |
| Basic and diluted (loss) earnings per share | 17 | (0.016) | 0.013 |
| Basic and diluted (loss) earnings per share from continuing operations | 17 | (0.027) | 0.028 |

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| | For the six-month period ended 30 June | |
|--|--|--------------------------|
| | 2021 (Reviewed) QR | 2020 (Reviewed) QR |
| (Loss) Profit for the period | (7,804,041) | 6,515,422 |
| Other comprehensive income for the period | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Change in fair value on equity instruments designated at fair value through other comprehensive income | (1,426,126) | - |
| Net other comprehensive loss for the period | (1,426,126) | - |
| TOTAL COMPREHENSIVE (LOSS) PROFIT FOR THE PERIOD | (9,230,167) | 6,515,422 |

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ALJAHRAH HOLDING Q.P.S.C.
 INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021



| | Notes | Share Capital | Legal Reserve | Fair Value Reserve | Accumulated Losses | Total |
|--|-------|--------------------|--------------------|--------------------|----------------------|--------------------|
| | | QR | QR | QR | QR | QR |
| Balance at 1 January 2020 (As reported) | | 494,802,000 | 357,268,209 | - | (168,804,371) | 713,265,838 |
| Profit for the period | | - | - | - | 6,515,422 | 6,515,422 |
| Other comprehensive income for the period | | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | 6,515,422 | 6,515,422 |
| Dividends paid | 13 | - | (24,740,100) | - | - | (24,740,100) |
| Social and sports fund appropriation | | - | - | - | (162,886) | (162,886) |
| Balance at 30 June 2020 (Reviewed) | | 494,802,000 | 362,528,109 | - | (162,451,835) | 694,878,274 |
| Balance at 1 January 2021 (Audited) | | 494,802,000 | 362,528,109 | (1,823,931) | (156,269,831) | 699,236,347 |
| Loss for the period | | - | - | - | (7,804,041) | (7,804,041) |
| Other comprehensive loss for the period | | - | - | (1,426,126) | - | (1,426,126) |
| Total comprehensive loss for the period | | - | - | (1,426,126) | (7,804,041) | (9,230,167) |
| Dividends paid | 13 | - | (12,370,050) | - | - | (12,370,050) |
| Balance at 30 June 2021 (Reviewed) | | 494,802,000 | 350,158,059 | (3,250,057) | (164,073,872) | 677,636,130 |

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| | Notes | For the six-month period ended 30 June | |
|---|-------|--|----------------------------------|
| | | 30 June 2021 (Reviewed) QR | 30 June 2020 (Reviewed) QR |
| Cash flows from operating activities | | | |
| (Loss) Profit before tax from continuing operations | | (13,253,572) | 13,685,651 |
| Profit (Loss) before tax from discontinued operations | | 5,449,531 | (7,170,229) |
| (Loss) Profit for the period | | (7,804,041) | 6,515,422 |
| Adjustments for: | | | |
| Depreciation and amortization | | 3,826,048 | 7,993,217 |
| Loss (Gain) on investment securities measured at FVTPL | | 11,811,824 | (23,137,253) |
| Net allowance for expected credit losses on financial assets | 5 | (22,309) | (18,582) |
| Dividend income | | (8,395,252) | (8,889,356) |
| Loss (Gain) on disposal of property and equipment | 9 | 44,143 | (2,323) |
| Write-off of property and equipment | 9 | 87,162 | - |
| Gain on sale of assets held for sale | 8 | (615,306) | - |
| (Reversal) Provision for slow moving inventories | | (399,668) | 1,847,592 |
| Finance income | | (2,064,171) | (3,398,110) |
| Finance cost | | 477,591 | 780,446 |
| Provision for employees' end of service benefits | | 288,536 | 421,397 |
| Net operating loss for the period before working capital changes | | (2,765,443) | (17,887,550) |
| Working Capital Changes | | | |
| Installments and dues from customers | | 3,704,289 | 11,678,321 |
| Prepayments and other receivables | | 527,193 | 22,266,575 |
| Inventories | | 473,275 | (2,550,076) |
| Accounts payable, accruals and other payables | | (25,564,455) | (4,556,493) |
| Contract liabilities | | (6,228,808) | (15,865,112) |
| Cash flows used in operating activities | | (29,853,949) | (6,914,335) |
| Finance cost paid | | (433,550) | (664,540) |
| Employees' end of service benefits paid | | (290,239) | (102,713) |
| Net cash flows used in operating activities | | (30,577,738) | (7,681,088) |
| Cash flows from investing activities | | | |
| Finance income received | | 2,641,162 | 7,336,969 |
| Dividend received | | 8,395,252 | 8,889,356 |
| Purchase of property and equipment | 9 | (368,240) | (35,099) |
| Net movement in bank term deposit | | - | 220,000,000 |
| Purchase of investment securities | | (21,116,277) | (48,122,390) |
| Proceeds from disposal of investment securities | | 22,316,300 | 33,182,053 |
| Proceeds from disposal of property and equipment | | 10,000 | 53,680 |
| Proceeds from disposal of assets held for sale | | 4,240,306 | - |
| Net cash flows from investing activities | | 16,118,503 | 221,304,569 |
| Cash flows from financing activities | | | |
| Dividends paid | 13 | (12,370,050) | (30,336,474) |
| Repayment of financing under Wakalah Arrangements | | (11,316,278) | (5,890,341) |
| Net cash flows used in financing activities | | (23,686,328) | (36,226,815) |
| Net (decrease) increase in cash and cash equivalents | | (38,145,563) | 177,396,666 |
| Cash and cash equivalents at the beginning of the period | | 288,054,680 | 84,454,993 |
| Cash and cash equivalents at the end of the period | 5 | 249,909,117 | 261,851,659 |

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Aljarah Holding Company Q.P.S.C. (the "Company") is a public shareholding company incorporated in the State of Qatar in accordance with resolution No. 35 issued on 21 April 2003 by the Ministry of Business and Trade. The Company is registered under commercial registration No. 26487 and is governed by the provisions of the Qatar Commercial Companies' Law No. 11 of 2015. The registered office of the Company is located at 'D' Ring Road, Doha, State of Qatar. The Company's shares are publicly traded at the Qatar Exchange.

The Company and its fully owned subsidiaries (together the "Group") are engaged in Leasing, Real Estate, Property Development, Transportation, Taxi Services and Driving Academy. The Group is committed to conduct all its activities in accordance with Islamic Sharia'a.

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 15 July 2021.

The consolidated financial statements of the Group include the financial statements of the Company and its fully owned subsidiaries (listed below):

| Name of subsidiaries | Country of incorporation | Principal activity |
|---|--------------------------|---------------------------|
| Aljarah Leasing Company W.L.L. | State of Qatar | Islamic leasing |
| Aljarah Equipment Company W.L.L. | State of Qatar | Transportation |
| Aljarah Limousine Company W.L.L. | State of Qatar | Taxi & Limousine services |
| Aljarah Property Development Company W.L.L. | State of Qatar | Property Development |
| Aljarah Driving Academy W.L.L. | State of Qatar | Driving School |

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six-month period ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards, IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Qatari Riyals ("QR"), which is the functional and presentational currency of the Group. All values are rounded to the nearest Qatari Riyal, except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. In addition, the results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards and amendments effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments to existing standards and framework have been applied by the Group in preparation of these interim condensed consolidated financial statements. The adoption of the below did not result in changes to previously reported net profit or equity of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In March 2021, the IASB issued another amendment to IFRS 16 Leases (Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)) which extended the practical expedient to lease payments which were originally due up to 30 June 2022. The transitional requirements of this amendment require retrospective application with the cumulative effect of initially applying the amendment recognized as an adjustment to the opening balance of retained earnings at the beginning of the annual reporting period in which the lessee first applies the amendment. The adoption of the amendment did not result in changes to the previously reported net profit or equity of the Group.

| Description | Effective Date |
|---|-----------------|
| Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) | January 1, 2021 |

Standards issued but not yet Effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

| Standard/Interpretation | Content | Effective Date |
|-------------------------|---------------------|-----------------|
| IFRS 17 | Insurance Contracts | January 1, 2023 |

4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of these 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 and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

5. BALANCES WITH FINANCIAL INSTITUTIONS AND CASH

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|--|-------------------------------------|--|
| Cash on hand | 241,938 | 71,776 |
| Current accounts with islamic banks | 15,895,097 | 39,042,808 |
| Current accounts with a conventional bank | 318,188 | - |
| Term deposits with islamic banks | 278,300,000 | 285,000,000 |
| Deposits with financial institutions | 5,153,894 | 13,940,096 |
| | 299,909,117 | 338,054,680 |
| Allowance for expected credit losses | (126,868) | (149,177) |
| Balances with financial institutions and cash | 299,782,249 | 337,905,503 |

Bank term deposits carry profit at commercial market rates. The Group has pledged QR 30,573,558 and QR 300,000 of the term deposit maturing after three months to fulfill collateral requirements of Islamic financing and Letter of guarantees.

5. BALANCES WITH FINANCIAL INSTITUTIONS AND CASH (CONTINUED)

Movements in the allowance for expected credit losses as follows:

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|--|-------------------------------------|--|
| At 1 January | 149,177 | 163,971 |
| Reversal of allowance during the period / year | (22,309) | (14,794) |
| | 126,868 | 149,177 |

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances:

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|---|-------------------------------------|--|
| Balances with financial institutions and cash prior to the expected credit losses | 299,909,117 | 338,054,680 |
| Term deposits with original maturity of more than 3 months | (50,000,000) | (50,000,000) |
| Cash and cash equivalents | 249,909,117 | 288,054,680 |

6. INVESTMENT SECURITIES

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|-------------------------------------|-------------------------------------|--|
| Financial assets measured at FVTPL | 190,073,111 | 213,143,492 |
| Financial assets measured at FVTOCI | 21,821,264 | 13,188,855 |
| Quoted equity investments | 211,894,375 | 226,332,347 |

(i) All investment securities are quoted equity investments in Qatar Stock Exchange that have been valued using Level 1 measurement techniques as per IFRS 7.

7. INVENTORIES

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|---------------------------------------|-------------------------------------|--|
| Spare parts and consumables | 4,299,166 | 4,882,569 |
| Provision for slow moving inventories | (3,822,430) | (4,332,226) |
| | 476,736 | 550,343 |

7. INVENTORIES (CONTINUED)

Movement in provision for slow moving inventories

| | 30 June 2021 (Reviewed) QR | 31 December 2020 [Audited] QR |
|-----------------------------------|-------------------------------------|--|
| Balance at 1 January | 4,332,226 | 6,756,066 |
| Addition during the period / year | - | 2,930,823 |
| Reversal during the period / year | (509,796) | (5,354,663) |
| | 3,822,430 | 4,332,226 |

8. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Taxi Segment

In December 2020, the Group committed to a plan to sell all taxi and limousine vehicles and initiated selling process through local auctions for third parties. Accordingly, vehicles of taxi and limousine operations has been classified as assets held for sale and written-down to its fair value less costs to sell, based on estimated fair value of the same vehicles on the current market. These assets were depreciated up to December 2020.

The sale of the vehicles is partially completed as of 30 June 2021 resulting in a pre-tax gain of QR 615,306. The movement in assets held for sale is presented below:

| | 30 June 2021 (Reviewed) QR |
|-----------------------------|-------------------------------------|
| Balance at 1 January | 9,700,000 |
| Sold during the period | (3,625,000) |
| Assets held for sale | 6,075,000 |

This decision was taken in line with the Group's strategy to restructure Group's operations and focus on profit generating segments.

As a result, revenues and expenses, and gains and losses relating to the discontinuation of this operation have been removed from the results of continuing operations and are shown as a single line item on the face of the statement of profit or loss and comparative information has been reclassified to be consistent with this presentation.

At 30 June 2021, there are no further write-down as the carrying amount of the remaining assets held for sale did not fall below its fair value less cost to sell.

8. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Below is the summarized financial information of taxi and limousine operations:

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|--|-------------------------------------|--|
| Revenues | - | 11,400,221 |
| Other income (i) | 6,264,277 | 542,553 |
| TOTAL REVENUES & INCOME | 6,264,277 | 11,942,774 |
| Direct costs | - | (15,506,827) |
| General and administrative expenses | (902,915) | (3,830,552) |
| TOTAL EXPENSES | (902,915) | (19,337,379) |
| NET OPERATING INCOME (LOSS) | 5,361,362 | (7,394,605) |
| Finance income | 88,169 | 224,376 |
| Income (Loss) from discontinued operations | 5,449,531 | (7,170,229) |
| Basic and diluted earnings (loss) per share from discontinuing operations | 0.011 | (0.014) |

Note (i)

Included in other income is the reversal of accrual made in prior year amounting to QR 5,520,000 relating to its taxi franchise.

The net cash flows of the taxi and limousine segment are as follows:

| | For the six-month period ended 30 June | |
|-------------------------|---|--------------------------|
| | 2021 (Reviewed) QR | 2020 (Reviewed) QR |
| Operating | (4,485,332) | (1,012,433) |
| Investing | 4,371,232 | 443,125 |
| Net cash outflow | (114,100) | (569,308) |

9. PROPERTY AND EQUIPMENT

Acquisitions

During the six-months period ended 30 June 2021, the Group acquired assets with a cost of QR 368,240 (six-month period ended 30 June 2020: QR 35,089).

Disposals

Assets with a net book value of QR 54,143 were disposed by the group during the six-month period ended 30 June 2021 (six-month period ended 30 June 2020: QR 51,357) resulting in a net loss on disposal of QR 44,143 (six-month period ended 30 June 2020: QR 2,323 net profit).

Write-Off

Assets with a net book value of QR 87,162 were written-off by the group during the six months ended 30 June 2021 (six-month period ended 30 June 2020: QR Nil)

10. ISLAMIC FINANCING UNDER WAKALAH ARRANGEMENTS

In prior years, the Group has obtained Islamic financing facility under Wakalah arrangement to fund construction and development of taxi complex, driving school and warehouses. The facility is secured and it is repayable on 24 equal installments ending 2027. The facility is secured by term deposits and carries financing charges.

| | 30 June 2021 | 31 December 2020 |
|---------------|-------------------|---------------------|
| | (Reviewed) QR | (Audited) QR |
| At 1 January | 41,889,836 | 50,890,341 |
| Payments made | (11,316,278) | (9,000,505) |
| | 30,573,558 | 41,889,836 |

11. SHARE CAPITAL

| | 30 June 2021 | 31 December 2020 |
|--|--------------------|---------------------|
| | (Reviewed) QR | (Audited) QR |
| Authorized, Issued and Fully paid-up 494,802,000 ordinary shares of QR 1 each | 494,802,000 | 494,802,000 |

12. LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No.11 of 2015 and the Company's Articles of Association, 10% of the profit for the year should be transferred to statutory legal reserve until the reserve equals 50% of the Company's capital. During the period ended 30 June 2021, the excess of the legal reserve was utilized for dividend distribution equivalent to 2.5% of the issued capital. The reserve is not normally available for distribution, except in circumstances stipulated in the above mentioned law. The Group ceased making any transfers to legal reserve as the reserve had already exceeded 50% of the Group's share capital.

13. DIVIDENDS PAID

At the Annual General Assembly meeting held on 16 February 2021, the shareholders approved a cash dividend distribution equivalent to 2.5% of the paid-up capital amounting to QR 12,370,050 for the year ended 31 December 2020 (for the year ended 31 December 2019: cash dividend distribution equivalent to 5% of the paid-up capital amounting to QR 24,740,100).

14. REVENUE FROM CORE BUSINESS

| | 30 June 2021 | 30 June 2020 |
|---|-------------------|-------------------|
| | (Reviewed) QR | (Reviewed) QR |
| Revenue from contracts with customers (Note 14.1) | 10,071,427 | 19,006,787 |
| Revenue from leasing operations (Note 14.2) | 433,739 | 613,088 |
| Revenue from operating lease | 4,139,298 | 2,376,214 |
| | 14,644,464 | 21,996,084 |

14. REVENUE FROM CORE BUSINESS (CONTINUED)

14.1 Revenue from contracts with customers

| | 30 June 2021 (Reviewed) QR | 30 June 2020 (Reviewed) QR |
|---|-------------------------------------|-------------------------------------|
| Revenue from real estate property development | 6,377,795 | 16,667,640 |
| Revenue from driving academy operations | 3,448,898 | 2,339,142 |
| Revenue from workshop operations | 244,734 | - |
| | 10,071,427 | 19,006,782 |

| | 30 June 2021 (Reviewed) QR | 30 June 2020 (Reviewed) QR |
|--|-------------------------------------|-------------------------------------|
| <i>Timing of revenue recognition</i> | | |
| Products and services transferred over time | 9,826,693 | 19,006,782 |
| Products and services transferred at a point in time | 244,734 | - |
| | 10,071,427 | 19,006,782 |

All revenue sources are earned inside the State of Qatar.

14.2 Revenue from leasing operations

| | 30 June 2021 (Reviewed) QR | 30 June 2020 (Reviewed) QR |
|------------|-------------------------------------|-------------------------------------|
| - Morabaha | 245,276 | 530,751 |
| - Ijarah | 188,463 | 82,337 |
| | 433,739 | 613,088 |

15. SEGMENT REPORTING

Based on the nature of core activities of the business, the Group is segmented into five major operating segments. The major operating segments are given below with their respective revenue and analysis of Assets and Liabilities:

- Financial Leasing
- Property Development
- Driving School
- Taxi Services (including Limousine)

The Group operates geographically in only one segment, being Doha-Qatar.

ALLJARAH HOLDING Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

15. SEGMENT REPORTING (CONTINUED)

The following table presents segment revenues and profits of the Group's operating segments as at 30 June 2021 and 30 June 2020:

| For the six months ended 30 June 2021 (Reviewed) | Financial Leasing | Transportation | Property Development | Driving School | Taxi Services | Holding | Elimination | Total |
|---|----------------------|----------------|-------------------------|-------------------|------------------|--------------|-------------|-------------|
| | QR | QR | QR | QR | QR | QR | QR | QR |
| Revenues and Gains: | | | | | | | | |
| External Parties | 443,861 | 304,912 | 10,572,670 | 3,468,897 | - | (3,389,339) | - | 11,401,001 |
| Internal Parties | - | 241,724 | 891,975 | - | - | - | (1,133,699) | - |
| Total Revenues and Gains | 443,861 | 546,636 | 11,464,645 | 3,468,897 | - | (3,389,339) | (1,133,699) | 11,401,001 |
| Profit from discontinued operations | - | - | - | - | 5,449,531 | - | - | 5,449,531 |
| (Loss) Profit for the period | (185,771) | (886,130) | 1,785,335 | (2,876,546) | 5,449,531 | (11,090,460) | - | (7,804,041) |
| Finance Income | 14,563 | 1,195 | 216,347 | 12,456 | - | 1,731,439 | - | 1,976,000 |
| Finance Cost | - | - | (477,591) | - | - | - | - | (477,591) |
| Depreciation and amortization | 737 | 291,788 | 2,692,549 | 752,992 | - | 87,982 | - | 3,826,046 |
| For the six months ended 30 June 2020 (Reviewed) | | | | | | | | |
| Revenues and Gains: | | | | | | | | |
| External Parties | 626,858 | - | 19,139,102 | 2,341,186 | - | 32,213,502 | - | 54,319,648 |
| Internal Parties | - | - | 2,094,000 | - | - | - | (2,094,000) | - |
| Total Revenues and Gains | 626,858 | - | 21,233,102 | 2,341,186 | - | 32,213,502 | (2,094,000) | 54,219,648 |
| Loss from discontinued operations | - | - | - | - | (7,170,229) | - | - | (7,170,229) |
| (Loss) Profit for the period | (386,387) | - | (7,551,073) | (2,840,708) | (7,170,229) | 24,463,803 | - | 6,515,422 |
| Finance Income | 21,232 | - | 982,721 | 9,028 | - | 2,160,751 | - | 3,173,732 |
| Finance Cost | - | - | (780,446) | - | - | - | - | (780,446) |
| Depreciation and amortization | 2,787 | - | 3,320,033 | 712,978 | - | 105,802 | - | 4,241,600 |

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15. SEGMENT REPORTING (CONTINUED)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2021 and 31 December 2020.

| As at 30 June 2021 (Reviewed) | Financial Leasing | | Transportation | | Property Development | | Driving School | | Taxi Services | | Holding | | Elimination | | Total | | |
|-------------------------------|-------------------|------------|----------------|--------------|----------------------|---------------|----------------|--------------|---------------|----|---------|----|-------------|----|-------|----|--|
| | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | |
| Current Asset | 313,612,402 | 17,529,498 | 153,784,315 | 2,056,780 | 8,791,404 | 530,559,554 | 513,520,531 | 512,813,422 | | | | | | | | | |
| Non-Current Assets | 3,217,674 | 994,499 | 206,246,249 | 11,943,006 | 6,300 | 22,318,693 | - | 244,726,421 | | | | | | | | | |
| Total Assets | 316,830,076 | 18,523,997 | 360,030,564 | 13,999,786 | 8,797,704 | 552,878,247 | (513,520,531) | 757,539,843 | | | | | | | | | |
| Current Liabilities | (9,138,189) | (119,549) | (21,282,401) | (23,035,803) | (289,520,466) | (174,245,341) | 467,320,531 | (50,021,218) | | | | | | | | | |
| Non-Current Liabilities | (92,121) | (104,607) | (25,351,733) | (351,509) | - | (3,983,025) | - | (29,882,495) | | | | | | | | | |
| Total Liabilities | (9,230,310) | (224,156) | (46,633,634) | (23,387,312) | (289,520,466) | (178,228,366) | 467,320,531 | (79,903,713) | | | | | | | | | |

| As at 31 December 2020 (Audited) | Financial Leasing | | Transportation | | Property Development | | Driving School | | Taxi Services | | Holding | | Elimination | | Total | | |
|----------------------------------|-------------------|------------|----------------|--------------|----------------------|--------------|----------------|---------------|---------------|----|---------|----|-------------|----|-------|----|--|
| | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | |
| Current Asset | 314,405,588 | 19,261,685 | 182,136,734 | 7,972,634 | 35,431,462 | 484,809,967 | (462,711,686) | 581,305,344 | | | | | | | | | |
| Non-Current Assets | 4,427,208 | - | 208,936,798 | 12,373,517 | 1,402,371 | 13,760,027 | - | 740,991,921 | | | | | | | | | |
| Total Assets | 318,832,796 | 19,261,685 | 391,073,532 | 20,346,211 | 36,833,833 | 498,569,994 | (462,711,686) | 822,297,265 | | | | | | | | | |
| Current Liabilities | (10,781,029) | (75,714) | (45,408,967) | (25,642,458) | (322,627,405) | (95,628,911) | 416,511,586 | (85,652,819) | | | | | | | | | |
| Non-Current Liabilities | (150,230) | - | (32,814,669) | (214,733) | (396,231) | (3,742,237) | - | (37,316,107) | | | | | | | | | |
| Total Liabilities | (10,931,259) | (75,714) | (79,223,636) | (26,857,191) | (323,023,636) | (99,371,148) | 416,511,586 | (122,970,918) | | | | | | | | | |

16. CONTINGENT LIABILITIES AND COMMITMENTS

| | 30 June 2021 (Reviewed) QR | 31 December 2020 (Audited) QR |
|---|----------------------------------|-------------------------------------|
| Letter of guarantees from Islamic banks | 300,000 | 11,670,000 |
| Contractual commitments | 3,823,434 | 8,665,183 |

17. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

| | For the six-month period ended 30 June | |
|---|--|--------------------|
| | 2021 (Reviewed) | 2020 (Reviewed) |
| (Loss) profit for the period (QR) | (7,804,041) | 6,515,422 |
| Weighted average number of shares | 494,802,000 | 494,802,000 |
| Basic and Diluted (Loss) earnings per share (QR) | (0.016) | 0.013 |

Basic and diluted earnings per share from continuing operations has been calculated as below:

| | For the six-month period ended 30 June | |
|---|--|--------------------|
| | 2021 (Reviewed) | 2020 (Reviewed) |
| Net (loss) profit for the period (QR) | (13,253,572) | 13,685,651 |
| Weighted average number of shares | 494,802,000 | 494,802,000 |
| Basic and Diluted (Loss) earnings per share (QR) | (0.027) | 0.028 |

There were no potentially diluted shares outstanding at any time during the period, therefore, the diluted earnings per share is equal to the basic earnings per share.

The weighted average numbers of shares have been calculated as follows:

| | 30 June 2021 (Reviewed) | 30 June 2020 (Reviewed) |
|-------------------------------------|----------------------------|----------------------------|
| Qualifying shares | 494,802,000 | 494,802,000 |
| Balance at end of the period | 494,802,000 | 494,802,000 |

18. RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group and companies in which they are major owners. Pricing policies and terms of these transactions are approved by the Group's management.

Key management personnel remuneration

| | 30 June 2021 (Reviewed) QR | 30 June 2020 (Reviewed) QR |
|---------------------------------------|----------------------------------|----------------------------------|
| Key management personnel remuneration | 1,726,063 | 2,105,088 |

19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

There have been no changes in the risk management policies during this period.

Fair Value Estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, installments and due from customers and investment securities and certain other financial receivables. Financial liabilities consist of Islamic financing under wakalah arrangements, accounts payable, and certain other accruals.

Management believes that the fair values of financial assets and liabilities are not materially different from their carrying values.

20. IMPACT OF COVID-19

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. More countries have imposed travel bans on millions of people, and more people in more locations are placed with quarantine measures. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Businesses are dealing with lost revenue and disrupted supply chains. The Group engages in Leasing, Real Estate, Property Development, Transportation, Taxi Services and Driving Academy.

Further, the Group operations are concentrated in Qatar that relatively depend on the oil and gas income. The outbreak of COVID-19 has had an impact on demand for oil and petroleum products. Recent global developments have caused further volatility in commodity markets.

The Group is carefully monitoring the evolving situation around the spreading of the COVID-19 and the volatility in the oil prices and its impact on the business.

The inputs and assumptions used for the expected credit loss calculation ("ECL") as at 30 June 2021 were updated by the Group to reflect the economic uncertainties resulted due to the COVID-19 and volatility in oil prices. The Group has adjusted the forward-looking macro-economic factors and probability weights assigned to economic scenarios for ECL determination to reflect the economic uncertainties. Given the level of uncertainty and the sensitivity of judgments and estimates, the assumptions will be reassessed if adverse conditions continue.

Furthermore, on 24 March 2021 the Ministry of interior have announced a temporary cease of operation of certain sectors as parts of the measures taken by the government to suppress the spread of COVID 19 in Qatar. Al Ijarah Driving Academy was one of the affected sectors. The temporary cease of operations had negative impact on the revenues of this segment of the Group.

The Group has also considered potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets and liabilities as of 30 June 2021, these are considered to represent management's best estimate based on the available or observable information. However, market remain volatile and the recorded amounts remain sensitive to market fluctuations.