



Alijarah Holding Q.P.S.C.
Consolidated Financial Statements
For the Year Ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
ALIJARAH HOLDING – Q.P.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Alijarah Holding – Q.P.S.C. (the "Parent Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements as implemented in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. We identified the following key audit matters which were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter (Continued)

Key audit matters	How our audit addressed the key audit matters
<p><i>Valuation of investment properties</i></p> <p>The Group has investment properties (warehouse and labor accommodation) located in the State of Qatar. The Group measures its investment properties using fair value model in accordance with IAS40.</p> <p>The fair value of Group's investment properties as at December 31, 2025 amounting to QAR. 127,704,213. (2024: 129,837,529) which is approximately 16% (2024:16%) of the Group's total assets at the reporting date. The Group recorded fair value loss QAR 2,133,316 as disclosed in Note 12 to the consolidated financial statements.</p> <p>Valuation of investment properties was considered a key audit matter due to the significant judgments and estimates applied in assessing the fair values.</p>	<p>Our audit procedures in this area included, among other things:</p> <ul style="list-style-type: none"> • Evaluating design and implementation and operating effectiveness of key controls over the methods, assumptions, and data used in the estimation of the fair value of the investment properties. • Evaluating the internal valuer's competence, capabilities, and objectivity. • Inspecting the valuation reports and assessing whether any matters identified in them have a potential impact on the amounts recorded and/or the disclosures in the consolidated financial statements. • Agreeing the property information in the valuation reports to the underlying property records held by the Group. Involving our own valuation specialist to assist us in the following matters: <ul style="list-style-type: none"> - Assessing the consistency of the valuation basis and appropriateness of the methodology used, based on appropriate valuation practices. - Evaluating the appropriateness of the assumptions applied to key inputs such as discount rate, terminal growth rate, expected net cash flows, and comparable market rate, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and industry. • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments, and sensitivities.
<p><i>Balances with financial institutions and cash</i></p> <p>The Group has balances with financial institutions and cash amounted to QAR 337,489,116 as at December 31, 2025, and it represents approximately 41% of total assets</p> <p>The above balance of QAR 337,489,116 included term deposits of QAR 298,960,889 maturing in more than 3 months.</p> <p>Refer to the following note to the consolidated financial statements for more details relating to this matter</p> <p>Note 4 – Balances with financial institutions and cash</p>	<ul style="list-style-type: none"> • We evaluated the design and implementation of controls over balances with financial institutions and cash to ensure their effectiveness. • A complete list of all bank and cash balances was obtained and reconciled to the total cash and cash equivalents presented in the cash flow statement of the consolidated financial statements. • Copies of bank reconciliations were reviewed, recalculated, and matched with the balances recorded in the cash book and bank statements. • Direct confirmations were obtained from banks, and the confirmed balances were cross-verified with the bank reconciliation statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report for the financial year 2025 but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

Board of Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and applicable provisions of Qatar Commercial Companies Law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibility for the audit of the consolidated financial statements (Continued)

- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021, we also report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Group has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
- We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Group.
- We are not aware of any violations of the applicable provisions of the Qatar Commercial Companies Law, or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Group's consolidated financial position or performance as at and for the year ended December 31, 2025.

**For Russell Bedford and Partners
Certified Public Accountants**



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



Doha - Qatar
January 18, 2026

	Notes	2025 QR	2024 QR
ASSETS			
Balances with financial institutions and cash	4	337,489,116	325,242,766
Installments and dues from customers	5	1,190,573	5,658,076
Investment securities	6	247,382,625	240,819,078
Inventories	7	281,211	274,925
Inventory Properties	8	19,647,069	18,731,922
Prepayments and other receivables	9	7,438,236	7,148,078
Property and equipment	10	71,237,825	74,066,765
Right-of-use asset	11	316,056	372,662
Investment properties	12	127,704,213	129,837,529
Intangible assets	13	8,153,615	8,276,846
TOTAL ASSETS		820,840,539	810,428,647
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable, accruals and other payables	14	54,511,939	50,943,149
Islamic financing	15	100,000,000	100,000,000
Contract liabilities	16	15,517,700	12,704,482
Lease liability	11	436,814	511,001
TOTAL LIABILITIES		170,466,453	164,158,632
EQUITY			
Share capital	17	494,802,000	494,802,000
Legal reserve	18	170,429,084	169,245,774
Fair value reserve	19	(41,812,282)	(42,283,348)
Revaluation surplus		102,788	102,788
Foreign Currency Translation Reserve		(15,157)	-
Retained Earnings		26,867,653	24,402,801
NET EQUITY		650,374,086	646,270,015
TOTAL LIABILITIES AND EQUITY		820,840,539	810,428,647

These consolidated financial statements were approved by the Board of Directors on 18th January 2026 and signed on their behalf by:




Falah Bin Jassim Bin Jabr Al-Thani
Chairman


Hamad Hassan Aljamali
Chief Executive Officer

ALIJARAH HOLDING (Q.P.S.C.)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025



	Notes	2025 QR	2024 QR
Revenues			
Revenues from core business	21	40,745,749	36,431,594
Income from investments	22	20,315,323	10,279,596
Finance income from deposits with Islamic banks		14,775,643	16,222,833
Other income	23	6,076,026	2,915,403
TOTAL REVENUES AND INCOME		81,912,741	65,849,426
Expenses			
Operating expenses	24	(17,027,050)	(16,534,212)
General and administration expenses	25	(36,277,140)	(27,452,980)
Loss on valuation of investment properties	12	(2,133,316)	(1,332,506)
TOTAL EXPENSES		(55,437,506)	(45,319,698)
NET OPERATING INCOME		26,475,235	20,529,728
Finance cost - Islamic financing		(4,447,712)	(3,131,781)
PROFIT BEFORE TAX		22,027,523	17,397,947
Income tax expense	26	(523,693)	(279,328)
PROFIT FOR THE YEAR		21,503,830	17,118,619
Earnings per share	27	0.043	0.035
Basic and diluted earnings per share	27	0.043	0.035



ALIJARAH HOLDING (Q.P.S.C.)
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025



	Notes	2025 QR	2024 QR
Profit for the year		21,503,830	17,118,619
Other comprehensive income for the year			
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	19	471,066	7,578,623
Foreign currency translation differences		(15,157)	-
Net other comprehensive profit for the year		455,909	7,578,623
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		21,959,739	24,697,242



ALIJARAH HOLDING (Q.P.S.C.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025



	Share capital		Legal reserve	Foreign Currency Translation Reserve		Fair Value reserve	Revaluation surplus		Retained earnings		Total	
	QR	QR		QR	QR		QR	QR	QR	QR	QR	
Balance at 1 January 2024	494,802,000	335,313,999	-	(52,843,693)	102,788	(140,530,295)	636,844,799					
Profit for the year	-	-	-	-	-	17,118,619	17,118,619					
Other comprehensive profit for the year	-	-	-	7,578,623	-	-	7,578,623					
Total comprehensive income for the year	-	-	-	7,578,623	-	-	7,578,623					
Transfer from fair value reserve to accumulated losses upon derecognition (Note 19)	-	-	-	2,981,722	-	-	(2,981,722)					
Dividends paid (Note 20)	-	-	(14,844,060)	-	-	-	-					(14,844,060)
Absorption of accumulated Losses (note i)	-	-	(152,573,224)	-	-	-	152,573,224					-
Transfer to legal reserve	-	-	1,349,059	-	-	-	(1,349,059)					-
Social and sports fund appropriation (Note 14)	-	-	-	-	-	-	(427,966)					(427,966)
Balance at 31 December 2024	494,802,000	169,245,774	-	(42,283,348)	102,788	24,402,801	646,270,015					
Balance at 1 January 2025	494,802,000	169,245,774	-	(42,283,348)	102,788	24,402,801	646,270,015					
Profit for the year	-	-	-	-	-	21,503,830	21,503,830					
Other comprehensive profit for the year	-	-	-	(15,157)	-	-	455,909					
Total comprehensive income for the year	-	-	-	(15,157)	-	-	455,909					
Dividends paid (Note 20)	-	-	-	-	-	(17,318,070)	(17,318,070)					
Transfer to legal reserve	-	-	1,183,310	-	-	-	(1,183,310)					
Social and sports fund appropriation (Note 14)	-	-	-	-	-	-	(537,598)					
Balance at 31 December 2025	494,802,000	170,429,084	-	(41,812,282)	102,788	26,867,653	650,374,086					

Note i: The Extraordinary General Assembly Meeting held on 26 February 2024 approved to utilize the legal reserve to absorb accumulated losses as of 31 December 2022 which amounted to QR 152,573,224



	Notes	2025 QR	2024 QR
Cash flows from operating activities			
Profit before tax		22,027,523	17,397,947
Adjustments for:			
Depreciation and amortization	25.b	3,833,802	3,861,084
Valuation loss on investment properties		2,133,316	1,332,506
(Gain) on investment securities measured at fair value through profit or loss	22	(6,345,362)	1,132,814
Net allowance for expected credit losses on financial assets	23	1,831,745	(10,868)
Dividend income	22	(9,270,159)	(9,468,409)
Finance income		(19,415,330)	(18,149,606)
Finance cost		4,447,712	3,131,781
Provision for employees' end of service benefits	14(a)	1,403,652	886,109
Net operating profit for the year before working capital changes		646,899	113,358
Working capital changes			
Installments and dues from customers		2,656,390	2,100,668
Prepayments and other receivables		(839,249)	469,106
Inventories		(6,286)	(1,767)
Inventory Properties		(915,147)	(18,731,922)
Accounts payable, accruals and other payables		(646,209)	1,379,475
Deferred revenue		2,813,218	2,356,547
Finance cost paid		(2,588,103)	(1,909,014)
Employees' end of service benefits paid	14(a)	(83,739)	(560,764)
Net cash generated (used in) operating activities		1,037,774	(14,784,313)
Cash flows from investing activities			
Finance income received		19,905,356	14,167,698
Dividends received		9,270,159	9,468,409
Purchase of property and equipment	10	(825,024)	(18,977,122)
Net movement in bank term deposit		(27,960,889)	27,960,889
Purchase of investment securities		(47,023,891)	(73,427,174)
Proceeds from disposal of investment securities		47,335,836	7,683,574
Net cash generated (used in) from investing activities		701,547	(33,123,726)
Cash flow from financing activities			
Dividends paid		(17,318,070)	(14,844,060)
Proceeds from Islamic Financing	15	-	81,500,000
Repayment of lease liabilities	11	(100,000)	(100,000)
Net cash (used in) generated from financing activities		(17,418,070)	66,555,940
Net increase in cash and cash equivalents		(15,678,749)	18,647,901
Net foreign exchange difference		(15,157)	-
Cash and cash equivalents at the beginning of the year		54,513,968	35,866,067
Cash and cash equivalents at the end of the year	4.2	38,820,062	54,513,968



1. INCORPORATION AND ACTIVITIES

Alijarah 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 Commerce and Industry. 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 (as amended by Law No. 8 of 2021). 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 Stock Exchange.

The Company and its fully owned subsidiaries (together the “Group”) are engaged in Real Estate, Property Development and Driving School and operate through its fully owned subsidiaries established in the State of Qatar. The Group is committed to conduct all its activities in accordance with Islamic Sharia’a.

These consolidated financial statements were authorized for issue by the Board of Directors on 18 January 2026.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on historical cost basis, except for the following material items on the consolidated statement of financial position, which are measured at fair value:

- Investment Properties;
- Investments measured at fair value through profit or loss ('FVTPL')
- Investment measured at fair value through other comprehensive income ('FVTOCI').

The consolidated financial statements are presented in Qatari Riyals (QR), which is the Group’s functional and presentational currency and all values are rounded to the nearest Qatari Riyal, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

The Group presents its statement of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the end of the reporting year (“current”) and more than 12 months of the end of the reporting year (“non-current”) is presented in Note 31.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

2. ACCOUNTING POLICIES (CONTINUED)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date of acquisition or up to the date of disposal, as appropriate.

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	Operating status
Alijarah Leasing Company	State of Qatar	Islamic leasing (Ijarah)	Continuing
Alijarah Equipment Company	State of Qatar	Transportation	Continuing
Alijarah Property Development Company	State of Qatar	Property Development	Continuing
Alijarah Almobtakara Alaqaria	Kingdom of Saudi Arabia	Property Development	Continuing
Alijarah Driving Academy	State of Qatar	Driving School	Continuing
Alijarah Limousine Company	State of Qatar	Taxi & Limousine services	Discontinuing

2.3 Summary of accounting policies

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

The Group has determined the Chief Executive Officer of the Company as its chief operating decision maker. All transactions between operating segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Company. Income and expenses directly associated with each segment are included in determining operating segment performance.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the end of the reporting year. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain and losses on revaluation of foreign currency non-monetary available-for-sale investments are recognized in the consolidated statement of changes in equity.

Balances with financial institutions and cash

Balances with financial institutions and cash represent cash, bank balances, balances with financial institutions and other short-term highly liquid investments with original maturities of three months or less.

2. ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset unless it is a trade receivable without a significant financing component or financial liability is initially measured at fair value plus, for an item not a FVTPL, transaction costs are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified at:

- i) Amortized cost – if it meets both of the following conditions and is not designated as at FVTPL:
 - It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI) on the principal amount outstanding.
- ii) Fair value through other comprehensive income (FVTOCI) – if it meets both of the following conditions and is not designated as at FVTPL:
 - It is held within a business model whose objective achieved by both collecting collect contractual cash flows and selling financial assets; and
 - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI) on the principal amount outstanding.
- iii) Fair value through profit or loss (FVTPL) – All financial assets not classified as measured at amortized cost or FVTOCI as described above.

On initial recognition, the Group may irrevocable designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes determine to or select appropriate its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change or application of new business model.

The Group has classified on initial recognition its dues from customers, other receivables and its bank balances and cash at amortized cost. The Group classified its investment portfolio as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

2. ACCOUNTING POLICIES (CONTINUED)

Financial assets- Business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- How managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets- Assessment whether contractual cash flows are Solely Payments of Principal and profit

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and profit criterion if the prepayment amount substantially represents unpaid amounts of principal and profit on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual profit (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets- Subsequent measurement and gains and losses

- Financial assets at amortized cost – These assets are subsequently measured at amortized cost using the effective profit method. The amortized cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Financial assets at fair value through profit or loss (FVTPL) – These assets are subsequently measured at fair value. Net gains and losses, including any profit or dividend income, are recognized in profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

- Sukuk at fair value through other comprehensive Income (FVTOCI) – These assets are subsequently measured at fair value. profit income calculated using the effective profit method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.
- Equity investments at fair value through other comprehensive income (FVTOCI) – These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never derecognized to profit or loss. The Group does not hold such assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

Non-derivative financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

For other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For Installments and due from customers, the Group has applied general approach and has calculated ECLs, The ECL allowance is based on the credit losses expected to arise over the life of the asset (the "lifetime expected credit loss" or "LTECL"), unless there has been no significant increase in credit risk ("SICR") since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL").

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

2. ACCOUNTING POLICIES (CONTINUED)

The Group has established a policy to perform an assessment, at the end of each quarter, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group classified its installment and dues from customers into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** includes financial instruments that have not had a SICR since initial recognition or that have low credit risk at the reporting date. For these assets, 12mECL are recognized and profit revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).
- **Stage 2:** includes financial instruments that have had a SICR since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, LTECL are recognized. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. ECLs are the weighted average credit losses with the probability of default ('PD') as the weight.
- **Stage 3:** includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted) and consequently is classified in Stage 3

The calculation of ECLs

The Group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **Probability of Default (PD):** The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- **Exposure at Default (EAD):** The EAD is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued profit from missed payments.
- **Loss Given Default (LGD):** The LGD is an estimate of the loss arising in the case where a default occurs at a given time.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's Rating Agency.

2. ACCOUNTING POLICIES (CONTINUED)

The Group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired and their characteristics. Management determines the classification of its financial assets at initial recognition.

Installments and dues from customers

Installments and dues from customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Islamic financing such as Ijarah and Morabaha are stated at their gross principal amount less any amount received, allowance for expected credit losses and unearned profit. Subsequent to initial measurement, installments and dues from customers are carried at amortized cost less allowance for expected credit losses.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably three listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as in income from investments in the statement of profit or loss when the right of payment has been established.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

2. ACCOUNTING POLICIES (CONTINUED)

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, profit-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to profit-bearing loans and borrowings.

The Group does not hold any financial liabilities at fair value through profit or loss

Islamic financing

Financial instruments or their components issued by the Group, are classified as financial liabilities under 'Islamic Financing, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder. 'Islamic Financing' are initially recognized at fair value net of transaction costs incurred. After initial measurement, Islamic Financing are subsequently measured at amortized cost using the effective yield rate method.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when they are extinguished that is, when the obligation is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing inventories to their present location and condition at purchase cost on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or use in the production or supply of goods and services or for administrative purposes. Investment properties are measured by applying the fair value model.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labor, any other cost directly attributable to bringing the investment properties to a working condition for their intended use and capitalized borrowing cost.

Any gain or loss on disposal of any investment properties (calculated as a difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes investment properties, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

2. ACCOUNTING POLICIES (CONTINUED)

Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use asset

The Group recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Rental period
Land	25

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liability

At the commencement date of the lease, the Group recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease of machinery and equipment (i.e., those lease that have lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered of low value (i.e., below QR 20,000 (USD 5000)). Lease payment on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2. ACCOUNTING POLICIES (CONTINUED)

Fair values

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Group establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of an investment properties is determined by independent real estate valuation experts with recent experience in the location and category of the property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein parties had each acted knowledgeably.

Transfers are made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation and commencement of an operating lease to another party or completion of construction or development. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Intangible assets

Driving school license

The cost incurred in acquiring a license to operate the driving school is recorded as intangible asset in the consolidated statement of financial position. The license has an indefinite useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when this asset is recognized.

Software

The cost incurred for the development or acquisition of software is recorded as intangible asset in the consolidated statement of financial position. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the software will flow to the Group and the cost can be measured reliably.

For each module or component of a software project, amortization should start when the computer software is ready for its intended use and placed in service. The software is amortized using the straight-line method over its estimated useful life. The estimated useful life might be changed subsequently considering the effects of obsolescence, technology, and other economic factors on useful life.

The software carrying amount is written down immediately if its use is not expected to provide substantive service benefit to the Group.

2. ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to write off the cost of property and equipment to their estimated residual values over their expected useful lives as follows:

	Years
Building	10 - 25
Office equipment	4-5
Furniture and fixtures	5
Heavy equipment, trucks and motor vehicles	5-6

Land is not depreciated. An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. Repairs and maintenance are charged to the consolidated statement of profit or loss when the expenditure is incurred.

Capital work-in-progress represents renovation work and construction work which are carried at cost, less any recognized impairment loss. Cost includes professional fees and related construction costs. Upon the completion of the work, the balance of work-in-progress will be transferred to the relevant caption under property and equipment.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer, if the customer pays consideration before the company transfers goods or services to the customer, a contract liability are recognized when payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

Employees' end of service benefits

The Group makes provision for end of service benefits payable to its expatriate employees based on the employees' length of service in accordance with the employment policy of the Group and the applicable provisions of Qatar Labor Law number 14 of 2004. The expected costs of these benefits are accrued over the period of employment. The liability recognized in the statement of financial position represent employees' end of service indemnity.

Defined contribution plans

Also, the Group provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the personnel cost under the general administration expenses in the consolidated statement of profit or loss. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due.

2. ACCOUNTING POLICIES (CONTINUED)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of financing and other costs that an entity incurs in connection with the borrowing of funds.

Earnings per share

The group basic diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary share outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Revenue recognition

Construction contracts

When the outcome of individual contracts can be foreseen with reasonable certainty and can be measured reliably, margin is recognized by reference to the stage of completion, based on the percentage margin forecast at completion. The stage of completion is measured by the proportion of contracts costs incurred for work performed to date to the estimated total contract costs or the proportion of the value of work done to the total value of work under contract. Full provision is made for all known expected losses on individual contracts immediately once such losses are foreseen. Margin in respect of variations in contract work and claims is recognized if it is probable, they will result in revenue.

The Group has determined that for engineering, procurement, installation and commissioning contracts, the customer controls all of the work in progress as the contracts being executed. This is because under those contracts, the final product is made to customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin.

Revenue is recognized over time based on the percentage of completion method. The related costs are recognized when they are incurred. Advances received are included in deferred revenue.

Leasing (Ijarah) income

Income from Islamic Financing and investment contracts under Islamic Sharia'a principles are recognized in the consolidated statement of profit or loss using a method that is analogous to the effective 'yield' rate.

Driving school services revenue

Revenue is recognized over time as the services are provided. The stage of completion for determining the amount of revenue to recognized is assessed based on the no of lessons attended. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.

2. ACCOUNTING POLICIES (CONTINUED)

Driving school services are generally provided upon collecting the full dues in advance.

Income from deposits

Profit from Term Deposits is recognized on a time proportion basis using the effective profit rate method.

Dividend income

Dividend income is recognized when the right to receive payment is established.

2.4 Applications of new, amendments and improvements to standards

Amendments and improvements to standards that are effective for the current year:

The following amendments to existing standards have been applied by the Group in preparation of these consolidated financial statements. The adoption of these new standards does not have significant impact on the consolidated financial statements.

Effective date	Description
January 1, 2025	<ul style="list-style-type: none"> Lack of Exchangeability – Amendments to IAS 21

Standards, amendments and improvements issued but not yet effective:

The forthcoming requirements of new Standard and amendments to existing Standards are applicable for future reporting periods. The Group will adopt these on annual periods beginning on or after the effective date

Effective date	Description
January 1, 2026	<ul style="list-style-type: none"> Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 Annual Improvements to IFRS Accounting Standards – Volume 11 Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7
January 1, 2027	<ul style="list-style-type: none"> IFRS 18, Presentation and Disclosure in Financial Statements IFRS 19, Subsidiaries without Public Accountability: Disclosures
Deferred indefinitely	<ul style="list-style-type: none"> Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognized in the consolidated financial statements have been discussed in the individual notes of the related consolidated financial statement line items.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognized by the Group. The key assumptions used to determine the recoverable amount for the intangibles assets with indefinite life are disclosed and further explained in Note 13.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determination of performance obligations:

In relation to the services provided to tenants of investment properties (such as cleaning, security, landscaping, reception services, catering) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied, over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Determination of performance obligations (continued):

The Group has determined that the input method is the best method for measuring progress for the lease contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

Provision for expected credit losses for installments and due from customers

The Group uses a provision matrix to calculate ECLs for installments and due from customers. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the leasing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's installments and due from customers is disclosed in Note 4.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the profit rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of profit that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market profit rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Useful lives of property and equipment

The Group determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Going concern

The Group's management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in the significant accounting policies section.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- 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.

All financial instruments of the Group measured at fair value were using level 1 as at the reporting date.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. The Group engaged an external, independent valuation specialist to assess fair value as at 31 December 2025 for the investment properties. The independent evaluator uses the market situations, estimated yield and expected future cash flows coupled with market and other evidence (i.e. the recent real estate transactions with similar characteristics and location) of properties for the valuation of investment properties.

If an independent valuation is carried out at the intermediate period, the management determines the year end valuation by applying appropriate discounting rate on the intermediate valuation based on the market situations, estimated yield and expected future cash flows. Thus, the management believes it's a more transparent and accurate valuation. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 12.

4. BALANCES WITH FINANCIAL INSTITUTIONS AND CASH

	2025 QR	2024 QR
Cash on hand	175,703	98,891
Current accounts with Islamic banks	19,092,665	21,534,261
Current accounts with a conventional bank	1,696,710	4,587,677
Term deposits with Islamic banks	314,960,889	298,960,889
Deposits with financial institutions	1,854,983	332,250
	337,780,950	325,513,968
Allowance for expected credit losses (Note 4.1)	(291,834)	(271,202)
Balances with financial institutions and cash	337,489,116	325,242,766

Bank term deposits carry profit at commercial market rates. The Group has pledged QR 300,000 of the term deposit to fulfill collateral requirements of guarantees.

4. BALANCES WITH FINANCIAL INSTITUTIONS AND CASH (CONTINUED)

4.1 Movements in the allowance for expected credit losses are as follows:

	2025	2024
	QR	QR
At 1 January	271,202	282,070
Provided (reversal) during the year (Note 23)	20,632	(10,868)
Balance at 31 December	291,834	271,202

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

	2025	2024
	QR	QR
Balances with financial institutions and cash prior to the expected credit losses	337,780,951	325,513,968
Term deposits with original maturity of more than 3 months	(298,960,889)	(271,000,000)
Cash and cash equivalents	38,820,062	54,513,968

5. INSTALLMENTS AND DUES FROM CUSTOMERS

	2025	2024
	QR	QR
Gross installments dues from leasing	16,663,160	20,337,408
	2025	2024
<i>Morabaha</i>	16,663,161	18,139,923
<i>Ijarah</i>	-	2,197,485
Less: Deferred profits of future installments	(37,061)	(586,310)
	2025	2024
<i>Morabaha</i>	(37,061)	(69,289)
<i>Ijarah</i>	-	(517,021)
Installments dues from leasing	16,626,099	19,751,098
Other trade receivables	1,961,901	1,493,292
Gross installments and dues from customers	18,588,000	21,244,390
Allowance for expected credit losses for installments dues from leasing and other trade receivables	(17,397,427)	(15,586,314)
Installments and dues from customers	1,190,573	5,658,076
Maturity profile of installments and dues from customers (net of deferred profits)		
Not later than 1 year	16,626,099	19,751,097
	16,626,099	19,751,097

5. INSTALLMENTS AND DUES FROM CUSTOMERS (CONTINUED)

Movement in allowance of expected credit losses	2025	2024
	QR	QR
Balance at 1 January	15,586,314	15,586,314
Provided during the year (Note 24)	3,484,175	-
Reversals during the year for Installments Dues from Customers (Note 23)	(1,673,062)	-
Balance at 31 December	17,397,427	15,586,314

6. INVESTMENT SECURITIES

	2025	2024
	QR	QR
Financial assets measured at fair value through profit or loss	26,592,276	21,371,935
Financial assets measured at fair value through OCI	137,268,545	136,797,479
Sukuk at fair value through profit or loss	83,521,804	82,649,664
Balance at 31 December	247,382,625	240,819,078

Investment securities comprise listed equity instruments and listed sukuk (debt instruments). Equity investments are classified at fair value through other comprehensive income, while sukuk are classified as fair value through other comprehensive income based on the group's business model and cashflow characteristics. Investments that have been valued using Level 1 and 2 measurement techniques as per IFRS 13.

7. INVENTORIES

	2025	2024
	QR	QR
Spare parts and consumables	281,211	274,925
	281,211	274,925

8. Inventory Properties

	2025	2024
	QR	QR
Inventory Properties - Land	18,101,982	18,101,884
Inventory Properties - WIP	1,545,087	630,038
	19,647,069	18,731,922

Alijarah Holding Company (Q.P.S.C.) announced the launch of its residential project in Jeddah, valued at 55 million Qatari Riyals. This project is being executed through Alijarah Al Mobtkara AlAqaria, which is wholly owned subsidiary by Alijarah Property. The project is in the Al-Rawdah district of Jeddah, on a land area of 5,095.5 square meters.

During the year 2024, the company has signed a partnership agreement with Radhwan Jamal Aldeen Babili Company for Architectural Contracting, a prominent firm with over 25 years of experience in mixed-use development projects across the region. This collaboration will focus on the design and development of residential villas, both interior and exterior, with BABILI also managing the project and its marketing initiatives.

The Al-Rawdah project is a key component of Alijarah Holding's strategic plan to expand its footprint in the thriving real estate market of Saudi Arabia, reinforcing the company's commitment to delivering high-quality residential solutions.

9. PREPAYMENTS AND OTHER RECEIVABLES

	2025	2024
	QR	QR
Advance payments to suppliers	2,512,357	1,450,020
Prepayments and other receivables	1,145,495	1,634,083
Profits accrued on sukuk	1,415,016	1,019,068
Profits accrued on bank deposits	2,317,488	3,262,527
Security deposit	317,880	52,380
	7,708,236	7,418,078
Allowance for expected credit losses on other receivables	(270,000)	(270,000)
	7,438,236	7,148,078

10. PROPERTY AND EQUIPMENT

	Land QR	Building QR	Office equipment QR	Furniture and fixtures QR	Vehicles QR	Work-in- progress QR	Total QR
Cost:							
At 1 January 2024	29,991,000	81,946,692	7,171,989	6,973,447	9,668,139	2,981,339	138,732,606
Additions	-	67,000	702,033	39,800	1,173,675	-	1,982,508
Reclassification	-	-	-	-	-	(2,981,339)	(2,981,339)
At 31 December 2024	29,991,000	82,013,692	7,874,022	7,013,247	10,841,814	-	137,733,775
Additions	-	6,600	203,226	30,100	570,100	15,000	825,026
At 31 December 2025	29,991,000	82,020,292	8,077,248	7,043,347	11,411,914	15,000	138,558,801
Accumulated Depreciation:							
At 1 January 2024	-	38,714,655	6,910,417	6,816,270	7,544,760	-	59,986,102
Charge for the year	-	2,448,102	103,243	59,373	1,070,190	-	3,680,908
At 31 December 2024	-	41,162,757	7,013,660	6,875,643	8,614,950	-	63,667,010
Charge for the year	-	2,449,204	239,147	41,706	923,909	-	3,653,966
At 31 December 2025	-	43,611,961	7,252,807	6,917,349	9,538,859	-	67,320,976
31 December 2025	29,991,000	38,408,331	824,441	125,998	1,873,055	15,000	71,237,825
31 December 2024	29,991,000	40,850,935	860,362	137,604	2,226,864	-	74,066,765

10. PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss on the following basis:

	2025 QR	2024 QR
Depreciation attributable to general and administration (Note 25)	281,892	186,859
Direct costs forming part of operating expenses (Note 24)	3,372,072	3,494,049
	3,653,964	3,680,908

11. LEASES

a) Group as a lessee

The Group has a lease contract for land used in its operations. Leases of land generally have lease terms of 25 years till 23 August 2031.

Set out below, are the carrying amounts of the Group's right-of-use asset and lease liability and the movements during the year:

Right-of-use asset

	2025 QR	2024 QR
At 1 January	372,662	429,268
Amortization (Note 24)	(56,606)	(56,606)
	316,056	372,662

Lease liability

	2025 QR	2024 QR
At 1 January	511,001	581,320
Finance costs for the year	25,813	29,681
Payment during the year	(100,000)	(100,000)
	436,814	511,001

b) Group as a lessor

The Group has entered into operating leases on its investment properties. These leases have remaining terms between 1 - 4 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2025 QR	2024 QR
Less than one year	7,885,300	7,982,500
Between one and four years	3,250,800	4,784,000
	11,136,100	12,766,500

12. INVESTMENT PROPERTIES

a) Reconciliation of carrying value

The Group's investment properties consist of warehouses and labor accommodation which are constructed on a land leased from the State of Qatar. These investment properties are leased out to third parties.

	2025 QR	2024 QR
At 1 January	129,837,529	111,194,082
Addition	-	19,975,953
Valuation loss	(2,133,316)	(1,332,506)
Balance at 31 December	127,704,213	129,837,529

During the year 2021, the Group transferred its labor accommodation from property and equipment to Investment properties due to the change of use. Included in the amounts transferred from property and equipment is the fair valuation adjustment at the date of transfer amounting to QR 102,788 which was recognized in the other comprehensive income.

b) Measurement of fair values

The fair value of the Group's investment properties at 31 December 2025 and 31 December 2024 has been arrived using a discounted cash flow (DCF) method.

The fair value measurement for all the investment properties has been categorized as level 3 fair value based on the inputs to the valuation technique used.

Description of valuation techniques used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2025	2024
Warehouse	(DCF Method)	Rent growth rate	1.5%	1.5%
		Long term vacancy rate	5%	5%
		Discount rate	8%	8.5%
Labor accommodation	(DCF Method)	Rent growth rate	1.5%	1.5%
		Long term vacancy rate	5%	5%
		Discount rate	8%	8.5%

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

12. INVESTMENT PROPERTIES (CONTINUED)

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate. Change in discount rate assumption is shown below:

	2025		2024	
	Movement in fair value		Movement in fair value	
	QR	QR	QR	QR
Discount rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Investment properties	(9,131,711)	10,653,931	(8,751,631)	10,100,294

The following amounts in relation to the investment properties have been recognized in consolidated statement of profit or loss:

	2025	2024
	QR	QR
Rental income (Note 21)	11,584,671	10,296,619
Direct operating expenses that generate rental income	2,220,282	1,984,852

13. INTANGIBLE ASSETS

	Driving school license	Software	Total
	QR	QR	QR
Cost:			
At 1 January 2025	8,000,000	5,953,446	13,953,446
At 31 December 2025	8,000,000	5,953,446	13,953,446
At 1 January 2024	8,000,000	5,953,446	13,953,446
At 31 December 2024	8,000,000	5,953,446	13,953,446
Amortization:			
At 1 January 2025	-	5,676,600	5,676,600
Charge for the year	-	123,231	123,231
At 31 December 2025	-	5,799,831	5,799,831
At 1 January 2024	-	5,553,031	5,553,031
Charge for the year	-	123,569	123,569
At 31 December 2024	-	5,676,600	5,676,600
Net carrying amounts:			
31 December 2025	8,000,000	153,615	8,153,615
31 December 2024	8,000,000	276,846	8,276,846

	2025	2024
	QR	QR
Amortization attributable to general and administration expenses (Note 24)	123,231	123,569
	123,231	123,569

On 2 September 2013, the Group purchased a license to operate a driving school assigned with a local company (“transferee”). The license was purchased as a part of a transfer of the ownership of the local company to the Group.

At the date of transfer of ownership of the local company, the only asset held by the transferee was the license to operate a driving school amounting to QR 8 Million. The license granted to the Group has an indefinite useful life.

The Group performed its annual impairment test of this license in 31 December 2025 and 31 December 2024. The recoverable amount of the driving academy as at 31 December 2025 and 31 December 2024 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period forecast and the terminal value. As per this analysis, the recoverable amount is higher than the carrying amount of the license. Therefore, management has not recognized any impairment to its driving school license.

14. ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	2025	2024
	QR	QR
Accounts payable	15,711,251	13,101,366
Advances from customers	901,065	4,535,303
Unclaimed dividends	7,161,291	7,161,291
Provision for employees’ end of service benefits (a)	5,157,035	3,837,122
Provision for social contribution (b)	537,596	427,966
Provision for expected claims and expenses (Note 25 a)	10,000,000	12,000,000
Accrued expenses	15,043,701	9,880,101
	54,511,939	50,943,149

Notes:

(a) Provision for employees’ end of service benefits

	2025	2024
	QR	QR
At 1 January	3,837,122	3,511,777
Charge for the year	1,403,652	886,109
Payments during the year	(83,739)	(560,764)
	5,157,035	3,837,122

(b) Contribution to Social and Sports Development Fund

Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation QR 537,593 for the year 2025 (QR 427,966 for the year 2024) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year ended 31 December 2025.

15. ISLAMIC FINANCING

The Group has obtained Islamic financing facility to fund its investments and expansion. The facility is secured, and it is repayable after 24 and 36 months. The facility is secured by term deposits and carries financing charges.

	2025	2024
	QR	QR
At 1 January	100,000,000	18,500,000
Additions	-	81,500,000
	100,000,000	100,000,000

16. CONTRACT LIABILITIES

	2025	2024
	QR	QR
Contracts Liability related to driving academy	15,377,551	12,617,932
Contract Liability from property rental	140,149	86,550
	15,517,700	12,704,482

17. SHARE CAPITAL

	2025	2024
	QR	QR
Authorized, Issued and Fully paid-up		
494,802,000 ordinary shares of QR 1 each	494,802,000	494,802,000

18. 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. The reserve is not normally available for distribution, except in circumstances stipulated in the above-mentioned law.

On 26 February 2024, the company transferred an amount of 152,573,224 Qatari riyals from the legal reserve to absorb the accumulated losses as of December 31, 2022.

19. FAIR VALUE RESERVE

This reserve comprises the fair value changes recognized on financial assets measured at FVTOCI.

	2025	2024
	QR	QR
At 1 January	(42,283,348)	(52,843,693)
Net change in fair value of equity measured at FVTOCI	471,066	7,578,623
Transfer from fair value reserve to accumulated losses upon derecognition	-	2,981,722
At 31 December	(41,812,282)	(42,283,348)

20. DIVIDENDS

At the Annual General Assembly meeting held on 23 February 2025, the shareholders approved to distribute dividend equivalent to 3.5% amounting to QR 17,318,070 for the year ended 31 December 2024 (for the year ended 31 December 2023: QR 14,844,060).

21. REVENUES FROM CORE BUSINESS

	2025	2024
	QR	QR
Revenue from contracts with customers (<i>Note 21.1</i>)	28,611,829	26,047,272
Revenue from leasing operations (<i>Note 21.2</i>) (<i>Note i</i>)	549,249	87,703
Revenue from operating lease (Rental income)	11,584,671	10,296,619
	40,745,749	36,631,594

21.1 Revenue from contracts with customers

	2025	2024
	QR	QR
Revenue from driving academy operations	28,611,829	26,047,272
	28,611,829	26,047,272

	2025	2024
	QR	QR
<i>Timing of revenue recognition</i>		
Products and services transferred over time	28,611,829	26,047,272
	28,611,829	26,047,272

All revenue sources are earned inside the State of Qatar.

21.2 Revenue from leasing operations

	2025	2024
	QR	QR
- Morabaha	549,249	87,703
	549,249	87,703

Note (i)

During 2019, The Group received a letter from Qatar Central Bank (QCB) requesting to cease the leasing and Islamic finance operations of the group. The letter emphasized that the Group must fully comply with Qatar Central Bank law and the Regulation of Financial Institutions no. 13 of 2012. and accordingly, the operation of leasing and Islamic finance was temporarily ceased until the matter is regularized with the Qatar Central Bank.

22. INCOME FROM INVESTMENTS

	2025	2024
	QR	QR
Gain (loss) on fair value of investment securities at fair value through profit or loss	6,345,362	(1,132,814)
Dividend income	9,270,159	9,468,409
Profit from sukuk	4,639,686	1,926,772
Other income from financial assets	60,116	17,229
	20,315,323	10,279,596

23. OTHER INCOME

	2025	2024
	QR	QR
Reversal of expected credit loss (Note 5)	1,673,062	10,868
Revenue from workshop (i)	519,605	542,139
Miscellaneous income	3,883,359	2,362,396
	6,076,026	2,915,403

Note (i)

Revenue from workshop has been classified as non-core business activities and recognized in other income.

24. OPERATING EXPENSES

	2025	2024
	QR	QR
Cost of driving academy operations	11,434,696	11,055,311
Depreciation of property and equipment (Note 10)	3,372,072	3,494,049
Property expenses arising from investment properties that generate rental income	2,220,282	1,984,852
	17,027,050	16,534,212

25. GENERAL AND ADMINISTRATION EXPENSES

	2025	2024
	QR	QR
Staff costs	17,767,130	15,432,393
Professional and legal fees	3,018,317	1,186,226
General meeting, telephone and consumable expenses	2,951,143	2,902,349
Provision for expected credit losses	2,532,220	-
Repairs and maintenance expenses	1,662,114	2,422,811
Donation and charity	706,132	86,292
Receivable written off	628,491	317,200
Licensing and listing	526,492	488,347
Travel Expenses	508,138	135,078
Insurance	501,896	450,626
Security expenses	499,671	472,913
Depreciation and amortization (Notes 9, 10, 12)	461,730	367,035
Bank charges and commissions	361,671	579,079
Advertising expenses	265,991	364,079
Software and licenses	242,654	157,801
Postage printing and stationery	80,915	145,885
Penalties and Fines	1,700	60,677
Short-term rent expenses	464	112
Miscellaneous expenses	3,560,271	1,884,077
	36,277,140	27,452,980

25.(a) EXPENSES BY NATURE

	2025	2024
	QR	QR
Operating expenses (Note 24)	17,027,050	16,534,212
General and administrative expenses (Note 25)	36,277,140	27,452,980
	53,304,190	43,987,192

25.(B) EXPENSES BY NATURE (CONTINUED)

	2025	2024
	QR	QR
Staff costs	26,060,278	23,370,498
General meeting, telephone and consumable expenses	4,898,925	4,683,391
Depreciation and amortization (Notes 9,10 and 12)	3,833,802	3,861,084
Professional and legal fees	3,018,317	1,186,226
Provision for expected credit losses	2,532,220	-
Fuel	1,872,127	1,751,115
Repairs and maintenance expenses	1,678,302	2,439,053
Vehicle repairs and maintenance	842,322	901,525
Security expenses	772,171	672,413
Insurance expenses	732,746	763,867
Donation and charity	706,132	86,292
Receivable written off	628,491	317,200
Licensing and listing	526,492	488,347
Travel Expenses	508,138	135,078
Bank charges and commissions	361,671	579,079
Advertising expenses	265,991	364,079
Software and licenses	242,654	157,801
Vehicle licenses	178,355	116,950
Postage printing and stationery	80,915	145,885
Rent and accommodation expenses	1,821	21,255
Penalties and Fines	1,700	60,677
Other operating expenses	350	1,300
Miscellaneous expenses	3,560,270	1,884,077
	53,304,190	43,987,192

26. INCOME TAX

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	2025	2024
	QR	QR
Current income tax charge	387,742	192,290
Adjustments in respect of current income tax of previous year	135,951	87,038
Income tax expense reported in the consolidated statement of profit or loss	523,693	279,328

27. BASIC AND DILUTED EARNINGS PER SHARE

	2025	2024
Profit for the year (QR)	21,503,830	17,118,619
Weighted average number of shares	494,802,000	494,802,000
Basic and Diluted earnings per share (QR)	0.043	0.035

There were no potentially diluted shares outstanding at any time during the year, 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:

	2025	2024
Qualifying shares at the beginning of the year	494,802,000	494,802,000
Balance at end of the year	494,802,000	494,802,000

28. 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

	2025	2024
	QR	QR
Key management personnel remuneration	3,872,291	4,037,130

29. SEGMENT REPORTING

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

- Financial Leasing (Ijarah)
- Property Development
- Driving School

The Group operates geographically in only one segment, being in the State of-Qatar.

29. SEGMENT REPORTING (CONTINUED)

The following table presents segment revenues and profits of the Group's operating segments as at 31 December 2025 and 31 December 2024:

2025	Financial leasing	Transportation	Property development	Driving school	Holding	Taxi services	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Revenues and gains:								
External parties	2,295,184	-	13,652,248	29,277,096	21,912,570	-	-	67,137,098
Finance Income	10,027	-	12,249	22,273	14,731,094	-	-	14,775,643
Internal parties	-	-	1,386,408	807,758	-	-	(2,194,166)	-
Total revenues and gains	2,305,211	-	15,050,905	30,107,127	36,643,664	-	(2,194,166)	81,912,741
Profit for the year	(1,835,469)	-	4,577,915	6,928,288	11,833,096	-	-	21,503,830
Finance cost	-	-	(25,813)	-	(4,421,899)	-	-	(4,447,712)
Depreciation and amortization	-	-	2,655,730	1,019,792	158,280	-	-	3,833,802
2024	Financial leasing	Transportation	Property development	Driving school	Holding	Taxi services	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Revenues and gains:								
External parties	87,703	-	10,945,009	26,791,279	11,802,602	-	-	49,626,593
Finance Income	10,473	-	36,937	37,203	16,138,220	-	-	16,222,833
Internal parties	-	-	1,668,750	768,908	-	-	(2,437,658)	-
Total revenues and gains	98,176	-	12,650,696	27,597,390	27,940,822	-	(2,437,658)	65,849,426
Profit for the year	(250,412)	-	3,878,439	5,706,399	7,784,193	-	-	17,118,619
Finance cost	-	-	(29,681)	-	(3,102,100)	-	-	(3,131,781)
Depreciation and amortization	371	-	2,557,960	1,151,472	151,281	-	-	3,861,084

29. SEGMENT REPORTING (CONTINUED)

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2025 and 31 December 2024:

As of 31 December, 2025	Financial leasing	Transportation	Property development	Driving school	Taxi Services	Holding	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Current asset	1,125,585	-	3,626,855	5,391,417	-	110,529,676	-	120,673,533
Non-current assets	7,420,172	20,000,000	237,303,549	23,889,189	5,000,000	647,047,036	(240,492,940)	700,167,006
Total assets	8,545,757	20,000,000	240,930,404	29,280,606	5,000,000	757,576,712	(240,492,940)	820,840,539
Current liabilities	(9,981,226)	-	(11,621,401)	(19,315,223)	-	(124,041,049)	-	(164,958,899)
Non-current liabilities	-	-	(194,643,457)	(1,466,455)	-	(3,690,582)	194,292,940	(5,507,554)
Total liabilities	(9,981,226)	-	(206,264,858)	(20,781,678)	-	(127,731,631)	194,292,940	(170,466,453)

As of 31 December, 2024	Financial leasing	Transportation	Property development	Driving school	Taxi Services	Holding	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Current asset	13,188,791	20,000,000	3,321,118	12,544,165	5,000,000	526,559,578	(220,970,252)	359,643,400
Non-current assets	3,200	-	220,380,183	10,573,634	-	219,828,230	-	450,785,247
Total assets	13,191,991	20,000,000	223,701,301	23,117,799	5,000,000	746,387,808	(220,970,252)	810,428,647
Current liabilities	(13,042,403)	-	(189,293,045)	(15,192,441)	-	(57,136,844)	174,770,252	(99,894,481)
Non-current liabilities	-	-	(427,029)	(1,218,959)	-	(62,618,163)	-	(64,264,151)
Total liabilities	(13,042,403)	-	(189,720,074)	(16,411,400)	-	(119,755,007)	174,770,252	(164,158,632)

30. CONTINGENT LIABILITIES & COMMITMENTS

	2025	2024
	QR	QR
Letters of guarantee from Islamic banks	300,000	300,000

31. CURRENT AND NON-CURRENT ANALYSIS OF ASSETS AND LIABILITIES

2025	Non-current	Current	Total
	QR	QR	QR
ASSETS			
Balances with financial institutions and cash	252,000,000	85,489,117	337,489,117
Installments and dues from customers	-	1,190,573	1,190,573
Investment securities	220,790,349	26,592,276	247,382,625
Inventories	-	281,211	281,211
Inventory Properties	19,647,069	-	19,647,069
Prepayments and other receivables	317,880	7,120,356	7,438,236
Property and equipment	71,237,825	-	71,237,825
Investment properties	127,704,213	-	127,704,213
Intangible assets	8,153,615	-	8,153,615
Right-of-use asset	316,055	-	316,055
Total assets	700,167,006	120,673,533	820,840,539

LIABILITIES			
Accounts payable, accruals and other payables	5,157,035	49,354,904	54,511,939
Islamic financing	60,000,000	40,000,000	100,000,000
Contract liabilities	-	15,517,700	15,517,700
Lease liability	354,504	82,310	436,814
Total liabilities	65,511,539	104,954,914	170,466,453

2024	Non-current	Current	Total
	QR	QR	QR
ASSETS			
Balances with financial institutions and cash	-	325,242,766	325,242,766
Installments and dues from customers	-	5,658,076	5,658,076
Investment securities	219,447,143	21,371,935	240,819,078
Inventories	-	274,925	274,925
Inventory Properties	18,731,922	-	18,731,922
Prepayments and other receivables	52,380	7,095,698	7,148,078
Property and equipment	74,066,765	-	74,066,765
Investment properties	129,837,529	-	129,837,529
Intangible assets	8,276,846	-	8,276,846
Right-of-use asset	372,662	-	372,662
Total assets	450,785,247	359,643,400	810,428,647

LIABILITIES			
Accounts payable, accruals and other payables	3,837,122	47,106,027	50,943,149
Islamic financing	60,000,000	40,000,000	100,000,000
Contract liabilities	-	12,704,482	12,704,482
Lease liability	427,029	83,972	511,001
Total liabilities	64,264,151	99,894,481	164,158,632

32. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to routine financial risks, including the effects of defaults by customers, profit rates and liquidity. The Group seeks to minimize potential adverse effects on the financial performance of the Group by taking appropriate steps to address specific risk management areas, such as profit rate risk, credit risk and liquidity management.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is limited to the carrying amount of its financial assets which consist primarily of bank balances and financing facilities to customers. Credit risk on bank balance is limited to as deposits are placed with banks with high credit ratings assigned by international credit-rating agencies. Credit risk due from customers is limited by obtaining collateral and mortgage on leasing facilities.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic region.

The Group seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentration of risks with individuals of customers in specific locations or businesses.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of both off and on balance sheet items:

	2025	2024
	QR	QR
Balances with financial institutions	337,605,247	325,415,077
Installments and dues from customers	1,190,573	5,658,076
Security deposit	317,880	52,380
	339,113,700	331,125,533

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Bank may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria are considered:

- (i) All accounts classified as special mention
- (ii) Clients with a credit risk rating with C and D.
- (vi) The credit limits that have expired/ matured and have not been renewed or its renewal date have not been differed/postponed.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)

The Group employs statistical models to analyze the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Bank has exposures.

Renegotiated financial assets

The contractual terms of a facility may be modified for several reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing facility whose terms have been modified may be derecognized and the renegotiated facility recognized as a new facility at fair value. Where possible, the Group seeks to restructure facilities rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new facility conditions. Management continuously reviews renegotiated facilities to ensure that all criteria are met and that future payments are likely to occur.

Definition of default

The Group considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Bank to actions such as realizing security (if any is held); or
- the customer is past due more than 90 days on any material credit obligation to the Group; or
- the customer is rated C or D.

In assessing whether a customer is in default, the Group also considers indicators that are:

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Expected credit loss

The following tables show reconciliations from the opening to the closing balance of the loss allowance for installment and dues from customers and other receivables:

	As at 31 December 2025			
	Gross carrying amount	Expected credit losses	Net carrying amount	Loss rate
	QR	QR	QR	
181 – 360 days past due	13,803	11,217	2,586	81.26%
More than 360 days past due	16,649,357	16,237,044	412,313	97.52%
Total	16,663,160	16,248,261	414,899	97.51%

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of the developments in the local markets. The Group is subject to equity price risk in relation to its investments that valued through profit and loss. The Group evaluates the current market and other factors including normal volatility in share price for quoted equities in order to manage its risk.

	Change in equity price	2025 QR	2024 QR
Qatar Stock Exchange	+/-10%	2,659,228	2,137,194

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are monitored on a periodic basis and the management ensures that sufficient funds are available to meet any future commitments. The Group also ensures liquidity by diversifying the Group's funding sources and entering into financial arrangements with reputable banks and financial institutions.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to pay or expect to receive.

Financial liabilities At 31 December 2025	Less than 1 year QR	1-5 years QR	Total QR
Accounts payable and accruals	23,736,854	-	23,736,854
Islamic financing	107,272,279	-	107,272,279
Lease liability	100,000	384,692	484,692
	131,109,133	384,692	131,493,825

Financial liabilities At 31 December 2024	Less than 1 year QR	1-5 Years QR	Total QR
Accounts payable and accruals	21,229,610	-	21,229,610
Islamic financing	2,115,156	107,874,796	109,989,952
Lease liability	100,000	482,015	582,015
	23,444,766	108,356,811	131,801,577

Profit Rate Risk

The Group's financing arrangements are solely through Islamic arrangements. Management of the Group believes that these financing arrangements are not sensitive to a change in market profit rates as they are fixed based on the rate applicable at the date of lending.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year-end 31 December 2025 and 31 December 2024. Capital comprises share capital and retained earnings of QR 494.8 Million and QR 26.87 Million, respectively (2024: QR 494.8 Million and retained earnings QR 24.40 Million, respectively).

During 2024 The company has absorbed the accumulated losses as of 31 Dec 2022 amounting to QR 152.57 Million from legal reserve as approved by the Extraordinary General Assembly held on 26 Feb 2024.

33. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, installments and dues from customers and financial assets at fair value through profit or loss and Fair value through OCI and certain other receivables. Financial liabilities consist of Islamic financing, accounts payable, amounts due on construction contracts and certain other accruals.

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

34. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at amortized cost

	2025	2024
	QR	QR
Installments and due from customers	1,190,573	5,658,076
Balances with financial institutions	335,750,266	325,082,827
Security deposit	317,880	52,380
	337,258,719	330,793,283

Other financial liabilities at amortized cost

	2025	2024
	QR	QR
Trade and other payables	16,612,313	17,636,670
Islamic financing	100,000,000	100,000,000
Unclaimed dividend	7,161,291	7,161,291
	123,773,604	124,797,961

Financial Assets

	2025	2024
	QR	QR
Investment securities at fair value through profit or loss (FVTPL)	26,592,276	21,371,935
Investment securities at fair value through other comprehensive income (FVTOCI)	137,268,545	136,797,479
	163,860,821	158,169,414

35. COMPARATIVE FIGURES

The comparative figures for the prior year have been reclassified, where necessary, in order to confirm the current year's presentation. Such reclassifications do not affect the previously reported equity or net assets of the Group.

36. SUBSEQUENT EVENTS

There were no significant events after the reporting date, which have a bearing on the understanding of these consolidated financial statements.