دلالة القابضة
DLALA HOLDING

دلالة العقارية
DLALA REAL ESTATE

دلالة للوساطة
DLALA BROKERAGE

His Highness

Sheikh Tamim Bin Hamad Al-Thani

Emir of the State of Qatar

دلالة القابضة

DLALA HOLDING

2022

ANNUAL REPORT 2022

CONTENT

CEO MESSAGE

CEO Message

The year 2022 is considered an exceptional year for Dlala Holding Company in particular, and for the country in general, coinciding with the country hosting the organization of the 2022 World Cup, which brought about a quantum leap for the country and all sectors of work, and the accompanying challenges and lessons learned that will contribute to redrawing the objectives and strategy of the country and all its institutions and business sectors.

Since its inception in 2005, Dlala Holding Company has sought to occupy a position in the financial market and win the trust of its customers from inside and outside the State of Qatar, and to develop its institutional capabilities, through the services provided by its executive team efficiently and effectively in all transactions it undertakes.

We, in Dlala Holding Company and its subsidiaries, strive to provide the best financial and investment services to our customers, through the continuous development of our programs to cope with the successive changes witnessed by the financial and real estate investment market in the past years all over the world in order to maintain the satisfaction of our customers and provide services to them within the framework Confidentiality, ease and speed in completing transactions.

In 2023, Dlala is looking forward to redrawing its vision and strategy with the aim of making it an integrated and diversified investment institution, by developing its operational system and diversifying its financial and real estate investments and other investment portfolios in line with the rapid changes in financial markets locally and regionally, attracting capital and creating new solutions that contribute to making Dlala A leading company in the field of investment and financial brokerage.

We are pleased to put in your hands the annual report of Dlala Holding Company for the year 2022, prepared in accordance with the provisions of Companies Law No. (11) of 2015 and its amendments, the corporate governance system and legal entities listed in the main market issued by the Qatar Financial Markets Authority, and other regulations and laws related to the country, Which displays the extent of commitment to the indication.

Moza Mohammad Al- Sulaiti
Chief Executive Officer

MISSION, VISION, AND PROFILE

Group Dynamics

Dlala Holding (Q.S.C)

Dlala Brokerage and Investment Holding Company (Q.S.C.) was established in May 2005. In September 2005, the Company became the first non-banking financial organization to be listed on Qatar Exchange (QE) under code (DBIS) in order to provide brokerage services to investors in equity markets.

Dlala Holding later went on to establish both Dlala Brokerage Company (W.L.L.) and Dlala Islamic Brokerage Company (W.L.L.). Both companies commenced operations in January 2006 and are registered on QE.

In a short span of time, Dlala Holding has managed to win the confidence of local and regional investors in QE, thanks to its expertise and experience in brokerage and investment. The investors' growing confidence is adequately reflected in the evolution of the Company's operations. Today the Company's ultimate aim is to help investors to make the most appropriate investment decisions.

In 2009, Dlala established its real estate investment arm – Dlala Real Estate - to provide different services in real estate business in Qatar such as property management, real estate brokerage, real estate development and real estate evaluation.

Dlala's current board of directors consists of nine members four of them representing government organizations. They are Pension Fund of the General Retirement & Social Insurance Authority; Qatar Foundation for Education, Science and Community Development; Education and Health Fund – Ministry of Finance and Investment Fund of Qatar Amred Forces. *Dlala Holding's* board of directors oversee the strategic administration of all its activities and ensures its conformity with the business practices of leading national organizations.

Mission

To exceed our customers' expectations for quality, trustworthy services, and professional excellence by delivering exceptional value and maintaining the highest standards of ethics and professional integrity.
to employ skilled and experienced professionals, who take pride in working closely as a team as well as with our clients and business partners. to pursue technical innovation and growth and ensure compliance with the best. practices in order to add more value to our customers and create successful opportunities for our stakeholders. to foster a business environment that encourages professional and financial growth.
to ensure continuous improvement and transparency by adopting the best management practices. to provide reasonable and sustainable returns to our shareholders. to be a responsible corporate citizen.

Vision

We strive to adopt the best global business practices within our regional and local.
cultures; are committed to employing the right mix of business expertise, professional.
experts and automated solutions and are determined to serve our customers in an
environment that adheres to the highest ethical standards.
We aim to be recognized as the best brokerage house in Qatar, and aspire to be a
fully integrated investment entity that would re-engineer the regional investment.
scene.

Profile

Dlala Real Estate, the third subsidiary of Dlala Holding has been launched to offer clients in Qatar, leading edge solutions to property management and marketing, its system and policies and procedures have been designed to provide quality and professional services to client through quick, simple, and convenient procedures and financial settlements.
additionally,
it is committed to securing owners and investors rights whilst keeping risk to minimum.

BOARD OF DIRECTORS

Mr. Yousef Abdulrahman Al Khailifi
Chairman

Mr. Farhoud Hadi Al Hajri
Vice Chairman

Mr.-Faisal-Ahmed-Ali-Al-sadaa
Member of B.O.D

Mr. Ali Hussain Al-Sada
Member of B.O.D

Mr. Mohammed Sami Abu shaikha
Member of B.O.D

Mrs. Dania Hassan AlKhal
Member of B.O.D

Mr. Mubarak AbdulAziz Al Khailifi
Member of B.O.D

BOARD OF COMMITTEES

Executive Committee

Executive Committee

The Executive Committee comprises three members of the Board of Directors and is chaired by the Chairman of the Board. The membership of the Committee is in accordance with the terms of office of the Governing Council.

The members of the Executive Committee are:

- Mr. Yousef Abdul Rahman Al-Khulaifi – Chairman
- Mr. Ali Hussein Al-Sada – Member
- Mr. Mubarak Abdulaziz Al-Khulaifi –Member

The responsibilities of the Committee:

1. Develop the company strategy and approve the internal policies and procedures.
2. Review and approve the Organizational structure.
3. Supervise and monitor the financial performance of the company.
4. Review the annual budget before submitting it to the board Directors for approval.
5. Develop general guidelines and policies for investments and present them to the Board of Directors.
6. Develop the portfolio investment policy.
7. Approve all the investment projects.
8. Review and approve on sale of fixed assets.
9. Approve all agreed upon agreements and obligations that are beyond the authority of the CEO.
10. Approving the request for borrowing from financial institutions
11. Develop business plans and strategies of the company before presenting it to the Board of Directors.
12. Review and approve the proposals for change in paid up capital or company restructure.
13. Review and approve the proposals for issuing bonds and investments securities.
14. Appoint and terminate CEO and his deputy and determine his salary.

Audit Committee

Chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties.

The Committee meets at least six meetings annually.

The members of the Audit Committee are:

- Mr. Farhoud Hadi Al-Hajry –Chairman
- Mr. Muhamad Sami Abu Sheikha –Member
- Mr. Faisal Ahmed Al-Sada –Member

The responsibilities of the Committee:

1. Report to the Board on any matters that, in the opinion of the Committee, necessitate action and recommend follow-up action.
2. Report to the Board on the matters related to the Committee as outlined in QFMA CGC.
3. Consider other issues as determined by the Board.
4. Monitor risk factors related to Dlala and recommend to the Board for mitigating the risk factors.
5. Review the Financial and Internal Control and risk management systems.
6. Discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems.
7. Consider the findings of principal investigations in Internal Control matters requested by the Board or conducted by the Committee on its own initiative with the Boards' approval.
8. Review Dlala's financial and accounting policies and procedures.
9. Monitor accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports, with special focus on -
   - Any changes to the accounting policies and practices.
   - Matters subject to the discretion of Senior Executive Management.
   - Major amendments resulting from the audit.
   - Continuation of Dlala as a viable going concern.
   - Compliance with the accounting standards - International Financial Reporting Standards.
   - Compliance with the applicable listing rules in Qatar Exchange; and
   - Compliance with disclosure rules and any other requirements relating to the preparation of financial reports.

10. Consider any significant and unusual matters contained or to be contained in Dlala's financial reports and accounts.
11. Oversee and follow up the independence and objectivity of the External Auditor and for determining the nature, scope, and efficiency of the external audit in accordance with International Standards on Auditing and International Financial Reporting Standards.
12. Ensure that the External Auditor conducts an annual and semi-annual independent audit with the purpose of providing an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with related laws and regulations and International Financial Reporting Standards and accurately represent the financial position and performance of Dlala in all material respects.
13. Meet with the External Auditors at least once a year.
14. Consider any issues raised by the External Auditors.
15. Ensure the timely reply by the Board to the queries and matters contained in the External Auditors' letters or reports.
16. Ensure that the External Auditor attends the General Assembly, delivers the annual report, and answers any queries in this respect.
17. Recommend to the Board regarding appointment of External Auditors, by following the following guidelines –
    - External auditors should be independent and not have non-audit interests in Dlala and its Board Members. External Auditor shall not have any conflicts of interests in his relation to Dlala.
    - External auditors should be an audit professional with relevant experience in auditing financial statements of listed companies based on International Standards on Auditing and International Financial Reporting Standards.
    - Follow the applicable rules and regulations regarding auditor rotation.
18. Review the letter of appointment of the External Auditor, his business plan, and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive management's reply.
19. Evaluate the performance of External Auditor.
20. Oversee the functioning of Internal Audit and in particular ensure that the following Internal Audit functions are performed
    - Audit the Internal Control Systems and oversee their implementation.
    - Internal Audit to be carried out by operationally independent, appropriately trained, and competent staff.
    - Internal Audit will submit the report to the Board through the Committee.
    - Internal Audit has access to all Dlala activities.
    - Internal Audit to be independent from day-to-day functioning of Dlala. Independence is to be reinforced by the compensation of Internal Audit being determined by the Board based on the recommendation of the Committee.
    - The Internal Auditor will attend the General Assembly.

21. Ensure that the Internal Audit function includes at least one internal auditor appointed by the Board.
22. Recommend to the Board for approval of the scope of Internal Audit and to particularly include the following –
    - Control and oversight procedures of financial affairs, investments, and risk management.
    - Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.
    - Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.
    - Internal Control failure, weaknesses or contingencies that have affected or may affect the Dlala's financial performance and the procedure followed by Dlala in addressing Internal Control failures (especially such problems as disclosed in Dlala's annual reports and financial statements).
    - Dlala's compliance with applicable market listing and disclosure rules and requirements.
    - Dlala's compliance with Internal Control systems in determining and managing risk.
    - All relevant information describing Dlala's risk management operations.
23. Ensure that the Internal Audit Report is prepared every three months and submitted to the Committee and Board.
24. Supervise and monitor the financial, administrative, and technical activities of Internal Audit.
25. Evaluate the performance of Internal Auditor.
26. Ensure that External and Internal Auditors are separate legal entities and ensure that all other requirements of appointing External Auditor are applied to the appointment of Internal Auditor including auditor rotation (incases when the Board decides to outsource Internal Audit function to an external consultant)
27. Coordinate with the Board, Senior Executive Management & Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities.
28. Coordinate between the Internal Auditor and External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls.
29. Review remarks raised on any of the reports submitted to the Committee and forward them to the concerned departments for follow-up and timely action.
30. Develop rules, through which employees of Dlala can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions, where such matter is unethical, illegal, or detrimental to Dlala. Ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal.
31. Consider issues raised by the Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities, or Compliance Officer or Internal Auditors or External Auditors.
32. Oversee Dlala's adherence to professional conduct rules.
33. Ensure all laws and instructions regarding Dlala's activities are duly adhered to.
34. Ensure that the rules of procedure related to the powers assigned to the Board are properly applied.
35. Attend the General Assembly.
36. Consult at Dlala's expense any independent expert or consultant with prior approval from the Board.
37. Recommend and follow up all activities related to training, promotion, and development of human resources.
38. Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.

Nomination, Remuneration and Governance Committee

Nomination, Remuneration and Governance Committee comprises of four members of the Board. The membership of the Committee will correspond to the tenure of Board membership.

The members of the Committee are:

- Ms. Dania Hassan Al-Khal –Chairman
- Mr. Mohamad Sami Abu Sheikha –Member
- Mr. Faisal Ahmed Al-Sada –Member

The responsibilities of the Committee:

1. Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.
2. Nominating whom it deems fit for the Board membership when any seat is vacant.
3. Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.
4. Nominating whom it deems fit to fill any job of Senior Executive Management.
5. Receiving candidacy requests for the Board membership.
6. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.
7. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.
8. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.
9. Setting the foundations for granting allowances and incentives in the Company, including issuance of incentive shares for its employees.

BOARD OF DIRECTORS REPORT

Summary of the Board's Report

For the fiscal year ended 31/12/2022

In the name of Allah, the Most Gracious, the Most Merciful

Dear Shareholders,

Greetings,

I am pleased on my own behalf and on behalf of the Board of Directors of Dlala Brokerage and Investment Holding Company to present to you a summary of the annual report on the company's activity and business results during the fiscal year ended 31 December 2022.

The year 2022 represented a new challenge for Dlala Holding Company, in light of the fluctuations in the global economic scenario due to the Russian-Ukrainian war and the resulting recession in all sectors of global economic activity, and the frequent raising of interest rates, which had a clear impact on the activity of financial markets. This impact was reflected on the company's activities in the field of financial services, real estate, and investment portfolios of the company.

Financial Statements

With regard to the financial performance of the company, it was affected by the aforementioned factors. However, the company has achieved operating profits in the field of financial brokerage with a growth rate of (3%) amounting to (QAR 3,870, 000).

With regard to the losses amounting to (QAR 36,38 3, 000), they represent provisions for legal issues under deliberation with the judicial authorities and book losses in the value of the company's investment portfolios and are not realized losses from the company's activities

Governance Report:

The Company prepared a detailed report regarding the Governance of the Company covering the fiscal year from 01 January until 31 December 2022 in accordance with the requirements of the corporate governance system and legal entities listed in the main market issued by the Qatar Financial Markets Authority and is being printed, it shall also be published on the company's website of the shareholders to be reviewed by them.

M/s. Shareholders: We work in Dlala Brokerage and Investment Holding Company (Q.S.C.) in order to effectively contribute to the growth and development of the company's assets in order to reach the best return for shareholders. We also work to make the company to be an important part of development and progress system of in the State of Qatar and to contribute sufficiently to the realization of Qatar Vision 2030, which we all aspire to.

Finally, I take this opportunity to raise, on behalf of all of you and on behalf of all the employees of Dlala Holding Company and its Board of Directors, the highest verses of gratitude and gratitude to His Highness Sheikh / Tamim bin Hamad Al Thani, the Emir of the state, may God protect and preserve him, for the insightful vision and wise policy that he pursues to develop the economy of the State of Qatar and the advancement them in all fields.

On behalf of the Board of Directors, my sincere thanks and appreciation to the shareholders and valued customers for their trust and support, and we hope that we are worthy of this trust, hoping to meet you always well, and the company has achieved more success and goals.

Regards,

Youssef Abdul Rahman Al-Khulaifi

Chairman of Board of Directors

SERVICE CHANNELS

دلالة للوساطة
DLALA BROKERAGE

Dlala Brokerage Company (W.L.L)

Mission

Dlala Brokerage Company (W.L.L) is determined to be recognized as a pioneer in the brokerage sector by helping investors to make timely and appropriate investment decisions, observing the highest ethical and professional standards, and delivering the expectations of our customers'.

We strive to ensure 'total satisfaction' for our customers' and employees and aim to provide our customers' with the most modern means of trading, that utilities the last state-of-the-art e-trading methods, both online and through our call center. we are committed to provide our investors with the best possible services, whenever they might be, and help them fulfill their aspirations and investment goals.

Vision

To assume a leading role in promoting the integration of stock markets around the world by exploring newer avenues of co-operation among them and by establishing a platform that brings together all the leading brokerage companies in these markets.

دلالة العقارية
DLALA REAL ESTATE

Dlala Real Estate (W.L.L)

Mission

To establish ourselves as the real estate company of choice, offering modern solutions for property management, building trust, raising the standards of customer service, and protecting owners and investors from risk.

Vision

To be pioneers in Real Estate management and marketing and to offer the very best technological solutions for customer services.

Profile

Dlala Real Estate, the third subsidiary of Dlala Holding has been launched to offer clients in Qatar, leading edge solutions.

to property management and marketing. Its system and policies and procedures have been designed to provide quality.

and professional services to clients through quick, simple, and convenient procedures and financial settlements. Additionally,

It is committed to securing owners and investors rights whilst keeping risk to minimum.

The range of activities:

Property Management:

- **Rental Collection:** Automated functionality of rentals due and collection ensures that collection is made on time. Supported by legal and back-office procedures.

- **Rental Services (renting and contract management):** Our automated notification functionality accelerates the rent process and improve property occupancy rate, using our wide range of advertising and marketing plans.

- **Facilities Management:** We hire and supervise experienced personnel/independent contractors who will provide service to landlord properties.

- **Sell & Buy Brokerage:** We work closely with our customers to secure the possible deal in the market. Dlala policies and procedures are designed to facilitate both buyer and seller interest.
- **Electronic Follow Up:**
  - **Landlord Access:** For Landlords to follow up electronically the details of the property transactions like (Tenant details, unit status, rent amounts and payments, contract dates and other relevant details).
  - **Notify me:** communicate electronically real time with our customers to notifying them with listed properties.
- **Certified Real Estate Evaluator:** Dlala policies and procedures are designed to produce a trusted evaluation documentation presenting properties market price.

CONSOLIDATED FINANCIAL STATEMENTS

دلالة القابضة
DLALA HOLDING

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2022

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") and its subsidiar (together referred to as "Group") which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated statements profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, includi a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as 31 December 2022, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporti Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in t "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 (IES Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled c other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provid basis for our opinion.

Emphasis of Matter

We draw attention to Note 15 which states that on 27 April 2022, an extraordinary general assembly meeting was held and approved the proposal to reduce t Company's share capital by 33%. This reduction amounted to 93,772,800 Qatari riyals, to amortize the accumulated losses. Consequently, the Company's sha capital decreased to 190,387,200 Qatari riyals. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 were audited by another auditor, whose audit reports dat was 2 March 2022, expressed an unmodified opinion on those consolidated financial statements.

Key audit matter

Key audit matters are matters those, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the curre 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 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 t matters is provided in that context. We have fulfilled the responsibility described in the "Auditor's responsibilities for the audit of the consolidated financ statements" section of our report, including in relation to other matters. Accordingly, our audit included the performance of procedures designed to respond to c assessment of the risks of material misstatement of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter (continued)

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opini on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed our key audit matters
Bank balances - customers' funds and due to customers Refer to note no. (5) to the consolidated financial statements: - Bank balances - customers' funds represents 61% of the consolidated total assets amounting to QR 352.12 million. - Amounts due to customers represents 82% of the consolidated total liabilities amounting to QR 319.75 million. Bank balances - customers' funds relates to the deposits made by the customers and the collections made on behalf of the customers on trade in securities. All such balances are recorded as due to customers. These balances are to be settled or withdrawn by the customers and hence it's recorded as current liabilities. Due to the magnitude of the account balances, nature, and high volume of transactions, we determined the completeness of bank balances - customers funds and amounts due to customers as key audit matters.	**Our audit procedures included:** ● We evaluated the relevant internal controls to assess their adequacy and effectiveness and tested them accordingly. ● We performed analytical procedures on the balances related to amounts due to customers and bank balances - customers' funds as at 31 December 2022 to gain further insight into the financial data and identify any unusual transactions or trends. ● We selected a sample of customers and vouched their balances for accuracy, comparing them to the corresponding balances as per the books. ● We obtained direct confirmation letters for all bank accounts as at 31 December 2022 and verified them against the balances as per the books. ● We examined the bank account reconciliation statements prepared by the management of the Group and ensured the accuracy of the reconciliations between the balances as per bank statements and as per the books of account. ● We examined a selected sample of subsequently settled accounts and share transactions related to amounts due to customers to assess the accuracy and completeness of the settlements. ● We examined the reconciliation between the amounts due to customers and the corresponding bank balances - customers' funds as at 31 December 2022 to verify the accuracy and completeness of the reconciliation

Other information

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report for 2022 but do not include in the consolidated financial statements and our auditor's report.

The Group's 2022 annual report is expected to be made available to us after the date of this auditor's report, thereon. Our opinion on these consolidated financ 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 t 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 report that fact, we have nothing to report in respect of the report on the other information.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of board of directors for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for su internal control as board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from mater misstatement, whether due to fraud or error.

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

Auditor's responsibilities 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, whetl 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 audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are conside 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 consolida financial statements.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 t purpose of expressing an opinion on the effectiveness of the internal control.
- 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 risks, 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 for one resulting from error, as fraud may involve collusion, forge intentional omissions, misrepresentations, or the override of internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a mate 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 tha material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements o 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 rep 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 consolida financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Group to express an opini on the consolidated financial statements. We are responsible for the decision, supervision, and performance of the group audit. We remain solely responsi for our audit opinion.

We communicate with the 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independen and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and whe applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of t consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's rep unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matt should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh t public interest benefits of such communication.

Report on legal and other regulatory requirements

Further, as required by Qatar Commercial Companies Law, we report the following:

- We have obtained all the information and explanations we considered necessary for the purpose of our audit; and
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith.
- We are not aware of any violations of the Qatar Commercial Companies' Law (QCCL) No. 11 of 2015 or the Articles of Associati having occurred during the year which might have had a material effect on the consolidated financial position of the Company or on financial performance. Further, as disclosed in Note 2 to the consolidated financial statements, the Company is in the process assessing the impact of the amendments to QCCL, as per Law No. 8 of 2021. The Company's management believes that su amendments will not have a material impact on the consolidated financial statements.

Ahmed Tawfik Nassim
Mazars Consultants Auditors and Partners
Auditor's Registration No. 66
QFMA Registration No. 1201911

Doha - State of Qatar
09 March 2023

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	4	69,625	73,528
Bank balances – customers' funds	5	352,118	351,648
Due from customers	6	342	105
Due from Qatar Central Securities Depository (QCSD)	5	-	20,357
Investment securities at fair value through profit or loss (FVTPL)	7	65,291	97,323
Other assets	8	31,569	12,192
Trading properties	9	9,030	16,253
Total current assets		**527,975**	**571,406**
Non - current assets			
Investment securities at fair value through other comprehensive income (FVOCI)	7	7,423	8,581
Intangible assets	10	1,106	1,545
Property and equipment	11	36,341	37,608
Total non-current assets		**44,870**	**47,734**
TOTAL ASSETS		**572,845**	**619,140**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Due to customers	5	319,750	363,469
Due to Qatar Central Securities Depository (QCSD)	5	16,283	-
Provision for legal cases	12	26,402	9,850
Other liabilities	13	20,448	20,293
Total current liabilities		**382,883**	**393,612**
Non - current liability			
Employees' end-of-service benefits	14	5,086	4,971
Total non-current liability		**5,086**	**4,971**
TOTAL LIABILITIES		**387,969**	**398,583**
EQUITY			
Share capital	15	190,387	284,160
Legal reserve	16	29,364	29,364
Fair value reserve	7	789	317
Accumulated losses		(35,664)	(92,301)
Equity attributable to shareholders of parent		**184,876**	**221,540**
Non - controlling interests		-	(983)
TOTAL EQUITY		**184,876**	**220,557**
TOTAL LIABILITIES AND EQUITY		**572,845**	**619,140**

These consolidated financial statements were approved by board of directors and authorised for issue on 09 March 2023.

Yousef Abdulrahman Al-Khailifi	Moza Mohamed Al Sulaiti
Chairman of the Group	CEO of the Group

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
Brokerage commission income		26,073	25,314
Brokerage commission expense	17	(9,701)	(9,441)
Net brokerage commission income		**16,372**	**15,873**
Dividend income from investment securities	7	4,872	2,214
Net fair value gain on investment securities at FVTPL	7	(11,473)	6,041
Gain on sale of investment securities at FVTPL	7	9,850	4,345
Real estate income	18	2,951	3,738
Interest income from short - term deposits	4	1,288	739
Income from information technology services		-	22
Net operating income		**23,860**	**32,972**
Other income	19	330	9,342
General and administrative expenses	20	(31,921)	(28,980)
Provision for legal cases	12	(20,902)	(5,200)
Provision for impairment of advance to supplier	8	(7,750)	-
(LOSS) / PROFIT FOR THE YEAR		**(36,383)**	**8,134**
(Loss) / profit attributable to:			
Equity holders of the Parent Company		(36,383)	8,493
Non-controlling interests		-	(359)
		(36,383)	**8,134**
BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE	22	**(0.14)**	**0.03**

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
(Loss) / profit for the year		(36,383)	8,134
Other comprehensive income:			
Item not to be reclassified to profit or loss:			
Fair value movement on investment securities at FVOCI	7	702	2,317
Total other comprehensive income for the year		**702**	**2,317**
Attributable to:			
Equity holders of the parent Company		(35,681)	10,810
Non – controlling interests		-	(359)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(35,681)**	**10,451**

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands Qatari Riyal unless otherwise stated)

	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non – controlling Interests	Total Equity
At 1 January 2021	284,160	28,514	(1,460)	(100,281)	210,933	(624)	210,309
Profit for the year	-	-	-	8,493	8,493	(359)	8,134
Other comprehensive income for the year	-	-	2,317	-	2,317		2,317
Total comprehensive income for the year	-	-	2,317	8,493	10,810	(359)	10,451
Provision for sports and social activities support fund (Note 13)	-	-	-	(203)	(203)	-	(203)
Transfer to legal reserve	-	850	-	(850)	-	-	-
Reclassification of net change in fair value of investment securities (FVOCI) upon derecognition (Note 7)	-	-	(540)	540	-	-	-
Balance at 31 December 2021	**284,160**	**29,364**	**317**	**(92,301)**	**221,540**	**(983)**	**220,557**
Loss for the year	-	-	-	(36,383)	(36,383)	-	(36,383)
Other comprehensive income for the year	-	-	702	-	702	-	702
Total comprehensive income for the year	**-**	**-**	**702**	**(36,383)**	**(35,681)**	**-**	**(35,681)**
Capital reduction during the year (Note 15)	(93,773)			93,773	-	-	-
Minority interest written off (Note 1)	-	-	-	(983)	(983)	983	-
Reclassification of net change in fair value of investment securities (FVOCI) upon derecognition (Note 7)	-	-	(230)	230	-	-	-
Balance at 31 December 2022	**190,387**	**29,364**	**789**	**(35,664)**	**184,876**	**-**	**184,876**

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
OPERATING ACTIVITIES			
(Loss) / profit for the year		(36,383)	8,134
Adjustments for:			
Dividend income from investment securities	7	(4,872)	(2,214)
Net fair value loss on investment securities at FVTPL	7	11,473	(6,041)
Gain on sale of investments securities at FVTPL	7	(9,850)	(4,345)
Provision for employees' end-of-service benefits	14	1,254	640
Depreciation of property and equipment	11	2,034	2,132
Amortization of intangible asset	10	588	705
Interest income from short term deposits	4	(1,288)	(739)
Profit from sale of trading properties		(1,426)	(252)
Provision for legal cases	12	20,902	5,200
Provision for impairment of advance to supplier	8	7,750	-
Provision for an onerous contract	20	500	-
CWIP Write off	11	423	-
Operating (loss) / profit before changes in working capital		**(8,895)**	**3,220**
Working capital changes:			
Bank balances - customer funds		(470)	195,200
Due from customers		(237)	108
Due from / to QCSD		36,869	(63,238)
Other assets		(27,127)	(5,903)
Due to customers		(43,719)	(140,478)
Provision for legal cases		(4,350)	(200)
Other liabilities		(345)	454
Cash used in operating activities		**(48,274)**	**(10,837)**
Employees' end-of-service benefits paid	14	(1,139)	(196)
Net cash used in operating activities		**(49,413)**	**(11,033)**
INVESTING ACTIVITIES			
Purchase of investments securities	7	(92,942)	(90,586)
Purchase of property and equipment	11	(1,190)	(1,362)
Purchase of intangible asset	10	(149)	-
Proceeds from disposal of trading properties		8,650	12,800
Proceeds from disposal of investment securities		124,981	70,651
Interest received		1,288	739
Dividends received		4,872	2,214
Net cash generated from / (used in) investing activities		**45,510**	**(5,544)**
Net decrease in cash and cash equivalents		(3,903)	(16,577)
Cash and cash equivalents at 1 January		73,528	90,105
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**69,625**	**73,528**

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 30670. The Company was established on 24 May 2005 as a limited liability Group and was publicly listed at Qatar Stock Exchange (the "QSE") on 4 September 2005. The Company is domiciled in the State of Qatar and its registered office is at P.O. Box 24571, Doha, State of Qatar.

These consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the "Group" and individually as the "Group entities").

The Group is engaged in brokerage activities at QSE, design and programming special programs, information technology (IT) consultation services, real estate, and other investment activities.

The principal subsidiaries of the Group are as follows:

Name of the subsidiary	Principal activity	Percentage of ownership	
		31 December 2022	31 December 2021
Dlala Brokerage Company W.L.L. (i)	Stock brokerage	100%	99.98%
Dlala Real Estate W.L.L.	Real estate	100%	100%
Dlala Smart Information Technology W.L.L. (ii)	IT consultation services	-	60%
Dlala Information Technology W.L.L. (iii)	IT consultation services	100%	100%

All of the subsidiaries enumerated above are incorporated in State of Qatar.

i) During the year 2022, the Company decided to acquire the remaining 0.02% interest in voting shares, increasing its ownership interest to 100% of its share capital, total cash consideration was amounting to QR 38,119 thousand based on agreement dated on 11 January 2022.

ii) On 22 September 2022, the Board of Directors of the Company decided to liquidate Dlala Smart Information Technology W.L.L. a Subsidiary Company and discontinue its activities and liquidate the business. The Company is liquidated in 2022.

iii) On 18 January 2023, the Board of Directors of the Company decided to liquidate the Dlala Information Technology Company W.L.L., a Subsidiary Company and discontinue its activities and plan for an orderly discontinuance, surrender of license and solvent liquidation of the Company's business.

2. BASIS OF PREPARATION

iv) Statement of compliance

v) The consolidated financial statements for the year ended 31 December 2022 of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Company Law No. 11 of 2015, as amended by Law No. 8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Group where necessary and has concluded that the non-compliance at reporting date does not have material impact on the consolidated financial statements of the Group.

2. BASIS OF PREPARATION (CONTINUED)

a) Basis of measurement

These consolidated financial statements are prepared under the historical cost basis, except for investments in securities at FVTPL and FVOCI that have been measured at fair values.

b) Functional and presentation currency

These consolidated financial statements have been presented in Qatar Riyals (QR), which is the Group's functional and presentation currency, and all values are rounded to the nearest thousand (QR'000) except when otherwise indicated.

c) Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries. An entity, including a structured entity, is considered a subsidiary, of the Group When we determine that the Parent Company has control over the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the Group entities and has the ability to affect those returns through its power over the Group. Power is being assessed by examining existing rights that give the Group the current ability to direct the relevant activities of the Group entities. For consolidation purposes the effect of all transactions between entities in the Group have been eliminated

d) Use of estimates and judgments

The information about significant areas of estimation uncertainty and critical judgments applied in the preparation of the consolidated financial statements are disclosed in Note 28.

e) Newly effective amendments to standards

During the current year, the below amended International Financial Reporting Standards ("IFRSs" or "standards") became effective for the first time for financial years beginning on 1 January 2022:

• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
• Annual Improvements to IFRS Standards 2018 – 2021
• COVID – 19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
• Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
• Reference to the Conceptual Framework (Amendments to IFRS 3)

The adoption of the above amended standards had no significant impact on the Group's consolidated financial statements.

f) New, amended and improvements to standards not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRSs" or "standards") that are available for early adoption for financial years beginning after 1 January 2022 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

2. BASIS OF PREPARATION (CONTINUED)

f) New, amended and improvements to standards not yet effective, but available for early adoption (Continued)

Effective for year beginning 1 January 2023	• *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* • *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts* • *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* • *Definition of Accounting Estimates (Amendments to IAS 8)* • *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*
Effective date deferred indefinitely / available for optional adoption	• *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*

Management does not expect that the adoption in future years of the above new and amended standards will have a significant impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Group applied in the preparation of the consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

Financial instruments

Receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets: Classification and subsequent measurement

On initial recognition, a financial asset is classified at:

a) Amortised 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 interest (SPPI) on the principal amount outstanding.

b) Fair Value Through Other Comprehensive Income (FVOCI) - 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 contractual cash flows and selling financial assets; and

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets: Classification and subsequent measurement (continued)

- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

a) Fair Value Through Profit or Loss (FVTPL) - All financial assets not classified as measured at amortised cost or FVOCI as described above.

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, 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 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 in the business model.

The Group has classified on initial recognition its due from customers, due from QCSD, other assets (advances to portfolio manager and other receivables), cash and cash equivalents and bank balances – customer funds at amortised cost.

Financial assets: Business model assessment

The Group makes an assessment of 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 realising 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets: Business model assessment (continued)

Financial assets: Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' 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 SPPI, 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 SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest 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 paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (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 amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial assets FVTPL -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does hold such assets.

- Debt instruments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised 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 FVOCI - These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are never derecognised to profit or loss. The Group does hold such assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities: Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial assets: Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; and
- 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.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Group does not hold debt investments measured at amortised cost.

The Group measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Non-derivative financial assets

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

Loss allowances for due from customers, due from QCSD and other assets (advances to portfolio manager and other receivables) are measured either at an amount equal to 12-month or lifetime ECLs depending on the magnitude of increases in credit risk since the initial recognition of the assets.

Loss allowances on cash and cash equivalents and bank balances – customer funds are always measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers cash and cash equivalents and bank balances – customer funds to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk ECLs are a probability-weighted estimate of credit losses.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes a breach of contract such as a default.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-derivative financial assets (continued)

Financial assets were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor will enter bankruptcy; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Group considered evidence of impairment for these assets (cash and cash equivalents, bank balances – customer funds, due from customers, due from QCSD and other assets (advances to portfolio manager and other receivables) at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off.

If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (property and equipment and intangible assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).
The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include bank balances and short - term deposits.

Bank balances - customers funds

This represents the cash advances received from the Group's trading customers or the collections received from Qatar Central Securities Depository (the "QCSD") in trading customers' securities.

Fair value measurement

The Group measures investment securities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Intangible asset

Cost associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible asset (continued)

- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The Group amortizes intangible asset (brokerage trading platform software) with useful life from 3 to 5 years using the straight-line method.

Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate its cost net of its residual values, over their estimated useful lives.

	Years
Buildings	20
Leasehold improvements	5
Furniture and fixtures	10
Computer system and software	3 - 5
Office equipment	5
Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Capital- work- in progress comprises costs incurred towards an infrastructure security system upgrade. These costs are transferred to computers and equipment upon commencement of operational activities of the relevant asset. Capital - work - in progress is not depreciate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The Group also 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 staff cost in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

Trading properties

Property acquired for sale in the ordinary course of business, is held as trading properties and is measured the lower of cost and net realisable value (NRV). Principally, this includes residential properties and a land that the Group intends to sell. The Group may decide to lease out on a temporary basis to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the property is not held for capital appreciation. The Group accounts for these properties as trading properties and not investment properties as the properties continue to be held exclusively with the view to subsequent disposal in the ordinary course of business. Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if net realizable value is lower than the carrying value.

When a trading property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognized.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions and balances

Transactions in foreign currencies during the year are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. Realized and unrealized foreign currency differences are recognized in profit or loss. The Company does not have non-monetary assets and liabilities denominated in foreign currencies at the end of the reporting period.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their stand-alone price. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term lease

The Group has elected not to recognize right-of-use asset and lease liabilities as the Group has short-term leases that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Share capital.

Ordinary shares issued by the Group are classified as equity.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading.
- Expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current versus non-current classification (continued)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

The Group classifies all other liabilities as non-current.

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Brokerage commission income

The Group's contracts with customers pertains to provision of brokerage services which constitutes only one performance obligation. The commission income is recognized when a sale or purchase of equity transaction is completed.

Volume rebates

Some contracts for the brokerage service includes volume rebates. As the Group provides volume rebates on trading transactions to its customers, revenue is recognised at a point in time.

Dividend income from investment securities

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

Income from information technology services

Income from information technology services is recognized when the services are delivered and right to receive income is established.

Real estate income

Real estate brokerage fee income is recognized when the brokerage service is provided and when the right to receive the income has been established.

Revenue from sale of real estate trading properties is recognized when control is passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold. Income from cancellation of sales contract is recognized based on underlying contractual terms.

Other income

Revenue is recognized when earned.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest income / expenses

Interest income is recognized in the statement of profit using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Interest income and expense

presented in the statement of comprehensive income include interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, being 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 qualifying asset.

Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

4. CASH AND CASH EQUIVALENTS

	2022	2021
Cash in hand	7	12
Cash in banks	47,618	36,475
Short - term deposits (maturity less than 90 days)	22,000	37,041
	69,625	**73,528**

The Company generated interest income from the short - term deposits amounting to QR 1,288 thousand (2021: QR 739 thousand) during the year. The Company earned interest income at an average interest rate of 2% (2021: 1.1%) per annum.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

5. BROKERAGE - ACTIVITY DISCLOSURES

The "Bank balances - customers funds" represents the cash advances received from the Group's trading customers or the collections received from QCSD in trading customers' securities. The Group recognizes liability for these fund balances which is presented as part of "Due to customers" account. Any QCSD's outstanding balances (due from or due to) are to be collected / settled on the third working day ("T+3").

The Group generates commission income for every trading transaction held in stock exchange and recognizes the related commission expense incurred with QCSD and QSE. The net commission earned in these transactions are presented as part of "Net brokerage commission income" account.

	2022	2021
Bank balances – customers' funds	**352,118**	**351,648**
Due from QCSD	-	**20,357**
Due to customers	**319,750**	**363,469**
Due to QCSD	**16,283**	-
Net brokerage commission income	**16,372**	**15,873**

6. DUE FROM CUSTOMERS

Due from customers, gross	14,295	14,085
Provision for impairment of due from customers	(13,953)	(13,980)
Due from customers, net	**342**	**105**

(1) As at year end, the aging of unimpaired due from customers is as follows:

	Total	*Neither past due nor impaired*	*Past due but not impaired*				*Credit-impaired*
			0 – 90 days	*91 – 180 days*	*181 – 360 days*	*More than 360 days*	
31 December 2022	**342**	-	-	-	-	14,295	(13,953)
31 December 2021	**105**	-	-	-	-	14,085	(13,980)

Unimpaired amounts of due from customer balances are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

7. INVESTMENTS SECURITIES

The investments securities are presented in the consolidated statement of financial position as follows:

	2022	2021
Current asset		
Quoted investments at FVTPL	65,291	97,323
Non - current asset		
Quoted investments at FVOCI	5,426	7,095
Unquoted investment at FVOCI	1,997	1,486
	7,423	**8,581**
	72,714	**105,904**

The movements in quoted investment securities designated as FVOCI and FVTPL are as follows:

	2022	2021
At 1 January	105,904	73,267
Additions during the year	92,942	90,586
Disposals during the year	(115,131)	(65,767)
Net change in fair values at:		
- FVTPL	(11,473)	6,041
- FVOCI	472	1,777
At 31 December	**72,714**	**105,904**

The Group recognized dividend income from the investment securities amounting to QR 4,872 thousand (2021: QR 2,214 thousand) during the year.

The Group recognized gain on sale of investment securities at FVTPL amounting to QR 9,850 thousand (2021: QR 4,345 thousand).

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(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

The movements in fair value reserve of investments securities at FVOCI during the year are as follows:

	2022	**2021**
At 1 January	317	(1,460)
Fair value movement through OCI	702	2,317
Reclassification of net change in fair value of investment securities in FVOCI upon derecognition	(230)	(540)
Net change in fair value at FVOCI	**472**	**1,777**
At 31 December	**789**	**317**

8. OTHER ASSETS

	2022	**2021**
Real estate advances	10,085	3,069
Less: provision for impairment of real estate advances (i)	(7,750)	-
	2,335	**3,069**
Advances to portfolio manager	24,819	6,953
Prepayments and advances	4,326	2,051
Accrued income	52	92
Other receivables	37	27
	31,569	**12,192**

(i) A provision for impairment amounting to QR 7,750 thousand has been recorded related to an advance given to the main supplier for the Al-Makkan project. The supplier was hired to build and operate fan zone on rented land for the FIFA World Cup 2022, but the company terminated the contract due to the contractor's non-compliance and refusal to return the funds. The company has initiated legal proceedings to recover the advance, and the case is currently ongoing. The management has fully provided a provision for this amount in the financial statements. The supplier has raised a legal case against the company, claiming compensation for damages resulting from the termination of the contract. The case is presently ongoing in the court.

9. TRADING PROPERTIES

The company acquired residential properties, which it intends to sell in the ordinary course of business. All trading properties are held in the state of Qatar. The movement is trading properties is set out below:

	2022	**2021**
At 1 January	16,253	28,801
Disposals	(7,223)	(12,548)
At 31 December	**9,030**	**16,253**

At 31 December 2022 The trading properties comprise of 5 residential villas (2021: 9 residential villas). These properties are available for trading and measured at the lower of cost and net realizable value (NRV). The cost of each villa is QR 1,806 thousand.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

10. INTANGIBLE ASSET

	2022	2021
Cost:		
At 1 January / December (i)	3,902	3,902
Addition during the year (ii)	149	-
	4,051	**3,902**
Accumulated amortization:		
At 1 January	2,357	1,652
Charge during the year (Note 20)	588	705
At 31 December	**2,945**	**2,357**
Carrying amount	**1,106**	**1,545**

(i) This pertains to the Group's brokerage trading platform software and computer software.

(ii) During the year the Company purchased license for a period of three years.

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11. PROPERTY AND EQUIPMENT

	Land	Buildings	Leasehold improvements	Furniture and fixtures	Computer system and software	Office equipment	Motor vehicles	Capital work in progress	Total
Cost									
At 1 January 2021	29,097	13,886	98	1,594	43,093	3,322	751	511	92,352
Additions	-	325	-	1	235	-	-	801	1,362
Transfers from CWIP	-	114	-	35	275	-	-	(424)	-
At 31 December 2021	29,097	14,325	98	1,630	43,603	3,322	751	888	93,714
Additions	-	-	-	55	410	54	-	671	1,190
Transfers from CWIP	-	-	-	-	334	-	-	(334)	-
CWIP Write off	-	-	-	-	-	-	-	(423)	(423)
At 31 December 2022	29,097	14,325	98	1,685	44,347	3,376	751	802	94,481
Accumulated depreciation									
At 1 January 2021	-	7,261	98	1,573	41,044	3,247	751	-	53,974
Charge for the year (Note 20)	-	804	-	42	1,264	22	-	-	2,132
At 31 December 2021	-	8,065	98	1,615	42,308	3,269	751	-	56,106
Charge for the year (Note 20)	-	803	-	17	1,187	27	-	-	2,034
At 31 December 2022	-	8,868	98	1,632	43,495	3,296	751	-	58,140
Carrying amounts									
At 31 December 2022	**29,097**	**5,457**	-	**53**	**852**	**80**	-	**802**	**36,341**
At 31 December 2021	**29,097**	**6,260**	-	**15**	**1,295**	**53**	-	**888**	**37,608**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

12. PROVISIONS FOR LEGAL CASES

	2022	2021
At 1 January	9,850	4,850
Charged during the year	20,902	5,200
Payments made during the year	(4,350)	(200)
At 31 December	**26,402**	**9,850**

As of 31 December 2022, the provision for legal cases is comprises of the followings:

No.,	Plaintiff	Legal case reference	Court ruling	Provision provided
1	Customer	2925/2019	11,050	11,050
2	QFMA	10/2020	10,000	5,000
3	QFMA	1/2021	8,852	8,852
4	QFMA	3/2021	2,000	1,000
5	QFMA	19/2021	500	500
			32,402	**26,402**

1. The Company and two other parties were subject to a criminal case filed by the public prosecution in 2019 (case no. 2925/2019). The appeal (no. 855/2021) resulted in a penalty of QR 100,000 and a joint obligation to pay QR 10.95 million. The Company provided a 100% provision to cover any adverse outcome.
2. The Accountability Committee of QFMA imposed a penalty of QR 10 million in 2021 for regulatory violations (10/2020). The Company provided a 50% provision to cover any adverse outcome (Note 24&31).
3. An arbitration sentence was issued by the Accountability Committee of QFMA (case no. 1/2021) which resulted in a requirement for the Company to pay QR 8.85 million to a customer. The Company provided a 100% provision to cover any adverse outcome.
4. The Accountability Committee of QFMA imposed a penalty of QR 2 million in 2021 (case no. 3/2021). The Company appealed this decision and provided a 50% provision to cover any adverse outcome (Note 24&31).
5. In 2021, the Accountability Committee of QFMA imposed a penalty of QR 500 thousand. The Company appealed the decision (case no. 19/2021) and provided a 100% provision to cover any adverse outcome.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

13. OTHER LIABILITIES

	2022	2021
Dividends payable (i)	15,690	15,707
Accrued expenses	2,586	2,889
Refunds payable to property owners (ii)	1,639	-
Provision for an onerous contract (iii)	500	-
Commission payable	-	102
Provision for sports and social activities support fund	-	203
Other payables	33	1,392
	20,448	**20,293**

i) Pertain to dividends that were declared for shareholders between 2006 and 2011 but have not been claimed.

ii) During the year 2022, the subsidiary Dlala Real Estate W.L.L. entered into agreements with several property owners and collected registration fees for the "Invest Your Home" project. This project aimed to offer accommodations to FIFA World Cup 2022 fans through an online portal. However, the project did not yield the expected results, as only a few bookings were made via the portal. As a result, the management decided to terminate the project and arrange for the reimbursement of the registration fees to the respective owners.

iii) This provision reflects the anticipated losses resulting from a rental agreement, which the company cannot derive any economic benefits from due to the termination of the Al-Makkan project, as disclosed in Note 20.

14. EMPLOYEES' END OF SERVICE BENEFITS

	2022	2021
At 1 January	4,971	4,527
Charged during the year (Note 21)	1,254	640
Payments made during the year	(1,139)	(196)
At 31 December	**5,086**	**4,971**

Management has classified the obligation within non-current liability in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefits obligation within 12 months from the reporting date. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

15. SHARE CAPITAL

	2022	2021
Authorized, issued and fully paid:		
Ordinary shares of 190,387,200 at QR 1 each (2021: 284,160,000 at QR 1 each)	**190,387**	**284,160**

On 27 April 2022, an extraordinary general assembly meeting was held and approved the proposal to reduce the Company's share capital by 33%. This reduction represents 93,772,800 shares, which is equivalent to 93,772,800 Qatari riyals, to amortize the accumulated losses. Consequently, the Company's share capital decreased to 190,387,200 shares, which is equivalent to 190,387,200 Qatari riyals.

The procedure of updating the Commercial Registration and the amendment of the company's article of association was completed.

16. LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Group's Articles of Association, an amount equal to 10% of the net profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid - up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Group's Articles of Association. In accordance with its Articles of Association and statutory law requirements, the Group is transferring a specific percentage from its annual net profit to the legal reserve. No transfer had been made for the year ended 31 December 2022.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

17. BROKERAGE COMMISSION EXPENSE

	2022	2021
Commission paid	9,339	9,073
Other brokerage expenses	362	368
	9,701	**9,441**

(i) Represents an amount of QR 7,916 thousand (2021: QR 7,677 thousand) paid during the year to Qatar Exchange (QE) and QR 1,423 thousand (2021: QR 1,396 thousand) paid to Qatar Central securities Depository Company (Q.C.S.D).

18. REAL ESTATE INCOME

	2022	2021
Income from sale of trading properties	1,426	-
Rental income	1,006	1,571
Fee income	312	267
Real estate brokerage	207	1,900
	2,951	**3,738**

19. OTHER INCOME

Compensation received from a customer in settlement of a legal case	226	8,198
Others	104	1,144
	330	**9,342**

20. GENERAL AND ADMINISTRATIVE EXPENSES

Staff costs (Note 21)	16,589	15,252
Professional fees	4,192	4,261
Information technology and communication costs	3,859	2,753
Depreciation of property and equipment (Note 11)	2,034	2,132
Rent (i)	1,120	120
Advertising	1,019	687
Regulatory fees, charges and penalties	751	956
Bank guarantee fee	600	659
Amortization of intangible assets (Note 10)	588	705
Provision for onerous contract (Note 13)	500	-
Repairs and maintenance	438	339
Others	231	1,116
	31,921	**28,980**

(i) This account pertains to short-term rental contracts.

21. STAFF COSTS

	2022	2021
Salaries and benefits	15,335	14,612
Provision for employees' end of service benefits (Note 14)	1,254	640
	16,589	**15,252**

22. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders of the Group by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	2022	**2021**
(Loss) / profit attributable to equity holders of the Group	(36,383)	8,493
Weighted average number of shares outstanding during the year (In thousands) (Note 15)	265,404	284,160
Basic and diluted (loss)/earnings per share (QR)	(0.14)	0.03

23. RELATED PARTY DISCLOSURES

Related parties represent the owner, 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.

a) Related party transactions

	2022	**2021**
Key management personnel and their close family members:		
Net brokerage commission income (*)	125	66
Portfolio management income	23	-

(*) During the year, the Group earned a total net brokerage commission income of QR 16,372 thousand (2021: QR 15,873 thousand) as stated in Note 5. Within this amount, the Group earned a net brokerage commission income of QR 125 thousand (2021: QR 66 thousand) from related parties.

	2022	**2021**
Salaries and short - term employee benefits (*)	2,184	2,139
Attendance allowance of meetings	244	522
Retirement benefits	125	54
	2,553	**2,715**

(*) The employee benefits disclosed above pertain to payments made to the former Chief Executive Officer of Dlala Real Estate W.L.L., whose employment contract was terminated on 10 October 2022. A legal case has been filed against the company for unjust dismissal, and further details are provided in Note 24 of the financial statements.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

23. RELATED PARTY DISCLOSURES (CONTINUED)

	2022	2021
b) Related party balance		
Key management personnel and their close family members:		
Due to customers	**702**	-

24. COMMITMENTS AND CONTINGENCIES

The Group had the following commitments and contingent liabilities as at reporting date:

	2022	2021
Letters of guarantee (i)	150,000	150,000
Legal cases (ii)	29,208	10,950

(i) This balance reflects the financial guarantees provided by banks on behalf of the Group to QCSD as a part of normal business operations, and will be due within twelve months from the reporting date.

(ii) Pertains ongoing legal cases for which no provisions have been made.

25. SEGMENT INFORMATION

For management purposes, the Group is organised into four strategic business units based on their nature of activities, thus, it has four reportable segments which are as follows:

- Stock brokerage – this segment includes financial services provided to customers as a stockbroker in the QSE;
- Real estate – this segment includes providing property management, marketing and sales services for real estate clients;
- Information technology– this segment includes information technology management and consultation services and developing and programming of IT programs; and
- Others – represents the operations of holding Group which provides corporate services to subsidiaries in the Group and is also engaged in investing activities.

The Group's management separately monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss.

The Group's Chief Executive Officer reviews the internal management reports of each business unit at least quarterly.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

25. SEGMENT INFORMATION (CONTINUED)

	Stock Brokerage	Real estate	Information technology	Others	Elimination	Total
31 December 2022						
Brokerage commission income, net	16,049	-	-	323	-	16,372
Real estate income	-	3,109	-	573	(731)	2,951
Other revenues	3,685	206	-	2,003	(1,027)	4,867
Segment revenue	**19,734**	**3,315**	**-**	**2,899**	**(1,758)**	**24,190**
Segment expenses	(36,766)	(15,094)	(843)	(29,627)	21,757	(60,573)
Segment losses	**(17,032)**	**(11,779)**	**(843)**	**(26,728)**	**19,999**	**(36,383)**
Depreciation and amortization	**638**	**257**	**3**	**1,723**	**-**	**2,621**
Segment assets	**497,557**	**24,718**	**19,287**	**221,939**	**(190,656)**	**572,845**
Segment liabilities	**381,867**	**857**	**-**	**52,743**	**(47,498)**	**387,969**

	Stock Brokerage	Real estate	Information technology	Others	Elimination	Total
31 December 2021						
Brokerage commission income, net	15,873	-	-	-	-	15,873
Real estate income	-	4,853	-	-	-	4,853
Other revenues	8,432	-	270	4,899	(1,377)	12,224
Segment revenue	**24,305**	**4,853**	**292**	**4,899**	**(1,377)**	**32,972**
Segment expenses	(11,156)	(3,616)	(2,783)	(41,719)	34,796	(24,478)
Segment profits/(losses)	**13,149**	**1,237**	**(2,491)**	**(36,820)**	**33,419**	**8,494**
Depreciation and amortization	**490**	**820**	**171**	**1,357**	**-**	**2,838**
Segment assets	**512,227**	**71,954**	**14,451**	**249,543**	**(229,035)**	**619,140**
Segment liabilities	**386,071**	**315**	**3,638**	**37,203**	**(28,644)**	**398,583**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT

Financial risks

The risk management function within the Group is carried out in respect of financial risks.

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market, credit, liquidity risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial assets. The objective of market risks management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group has a set of acceptable parameters, based on value at risk, that may be accepted, and which is monitored on a regular basis.

Interest rate risk

Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from short term deposits Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

	2022	**2021**
Floating interest rate instruments		
Short - term deposits (Note 4)	22,000	37,041

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates for one year, based on the floating rate financial liabilities held at the date.

	Increase in basis points	***Effect on profit***
31 December 2022		
Floating interest rate instruments	+25	55
	-25	(55)
31 December 2021	+25	92
Floating interest rate instruments	-25	(92)

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown below:

	Changes in equity prices	*Effect on equity*
31 December 2022		
Investments in securities at FVTPL and FVOCI	+5%	**3,636**
31 December 2021		
Investments in securities at FVTPL and FVOCI	+5%	**5,295**

Currency risk

Currency risk is the risk that the value of a financial assets and liabilities will fluctuate due to a change in foreign exchange rates. The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatar Riyal which is the Group's functional currency. As the Qatari Riyals is pegged to the US Dollar, balances in US Dollar are not considered to represent a significant currency risk.

b) 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 as indicated by the carrying amounts of its financial assets which consist principally cash and cash equivalents, bank balances – customer funds, due from customers, due from QCSD and certain other assets. The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Group's management.

Below table summarises the maximum exposure of the Group equal to the carrying amounts of these financial assets are as follows:

	2022	**2021**
Cash in banks	69,618	73,516
Bank balances - customer funds	352,118	351,648
Due from QCSD	-	20,357
Due from customers	342	105
	422,078	**445,626**

Cash in banks and bank balances - customer funds

These are held with a credit worthy and reputable banks. As a result, management believes that the credit risk in respect of its cash at banks is minimal.

Due from QCSD

Management believes that there is no significant credit risk from the outstanding amount from QCSD as it is a government entity.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

Due from customers and other assets

The Group limits its exposure to credit risk from these financial assets by evaluating the creditworthiness of each counter - party prior to entering into contracts; establishing sale limits for each counterparty which are reviewed regularly; and periodically reviewing the collectability of its receivables for identification of any impaired amounts.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation and is to maintain a balance between continuity of funding and flexibility.

The table summarises the maturity profile of the Group's undiscounted financial liabilities at reporting date based on contractual payment dates and current market profit.

	On demand	Less than 1 year	1 year > 3 years	Total
At 31 December 2022				
Due to customers	319,750	-	-	319,750
Dividend payable	15,690	-	-	15,690
Due to QCSD	16,283	-	-	16,283
Other liabilities (excluding non-financial liabilities)	-	4,258	-	4,258
Total	**351,723**	**4,258**	-	**355,981**
31 December 2021				
Due to customers	363,469	-	-	363,469
Dividend payable	15,707	-	-	15,707
Due to QCSD	-	-	-	-
Other liabilities (excluding non-financial liabilities)	-	4,383	-	4,383
Total	**379,176**	**4,383**	**-**	**383,559**

Capital management.

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. The management monitors the capital, which the Group defines as total equity and is measured at a surplus of QR 184,876 as at 31 December 2022 (2021: QR 220,557).

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to partners, or increase capital. During the year, the Company have reduced the share capital to QR 190,387,200, a decrease of QR 93,772,800 (33%) in order to extinguish the accumulated losses of the Company and its subsidiaries. (Note 15).

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

27. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2022, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financials assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts		**Fair values**			
	Investment securities at FVTPL and FVOCI	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at 31 December 2022						
Financial assets measured at fair values						
Investment securities at FVTPL	70,717	-	70,717	-	-	70,717
Investment securities at FVOCI	1,997	-	-	-	1,997	1,997
Financial assets not measured at fair values						
Cash and cash equivalents	-	69,625	-	-	-	-
Bank balances – customer funds	-	352,118	-	-	-	-
Due from customers	-	342	-	-	-	-
Financial liabilities not measured at fair values						
Due to customers	-	319,750	-	-	-	-
Due to QCSD	-	16,283	-	-	-	-
Other liabilities (excluding non - financial liabilities)	-	4,383	-	-	-	-

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

27. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amounts		Fair values			
	Investment securities at FVTPL and FVOCI	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at 31 December 2021						
Financial assets measured at fair values						
Investment securities at FVTPL	104,418	-	104,418	-	-	104,418
Investment securities at FVOCI	1,486	-	7,095	-	1,486	8,581
Financial assets not measured at fair values						
Cash and cash equivalents				-	-	-
Bank balances – customer funds	-	73,516	-	-	-	-
Due from customers	-	351,648	-	-	-	-
Financial liabilities not measured at fair values	-	105	-			
Due to customers	-	20,357	-	-	-	-
Due to QCSD	-	12,192	-	-	-	-
Other liabilities (excluding non - financial liabilities)				-	-	-

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas that involve higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are as follows:

Impairment of receivables

The expected credit loss (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are 0managed together to achieve a particular business objective. This is assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes required during the year.

Useful lives of intangible asset and property and equipment

The Group's management determines the estimated useful lives of its intangible assets and property and equipment in order to calculate the depreciation and the amortisation. This estimate is determined after considering the expected usage of the asset and intangibles, physical wear and tear, technical or commercial obsolescence. The Group's management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets (intangible asset and property and equipment) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires significant judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets.

Provision for employees' end of service benefits

Management has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the Qatar Labour Law No. 14 of 2004. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The calculation of the provision is performed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Going concern

The Group's management has made an assessment of 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 a going concern basis.

29. COMPARATIVE INFORMATION

Certain changes in the classification of accounts and accordingly, to the supporting note disclosures have been made to the previous year's consolidated financial statements to confirm to the current year's consolidated financial statements' presentation.

The reclassification did not materially affect previously reported profit or equity.

Statement of profit or loss	**As previously reported 31 December 2021**	**Reclassification**	**As reclassified 31 December 2021**
General and administrative expenses	26,143	2,837	28,980
Depreciation expense of property and equipment	2,132	(2,132)	-
Amortisation expense of intangible asset	706	(706)	-
Repairs and maintenance - General and administrative expenses	-	339	339
Rent - General and administrative expenses	-	120	120
Others - General and administrative expenses	1,574	(459)	1,115

The presentation and classification of items in the consolidated financial statements shall be retained from one year to the next unless a change in presentation including the reclassification of comparative figures provides more reliable and relevant information to the users of the consolidated financial statements. The reclassifications of comparative figures did not affect the previously reported results of operations and equity.

30. EFFECTS OF COVID - 19

The coronavirus (COVID-19) pandemic has posed significant challenges to business activities and introduced uncertainty in the conduct of most businesses in the State of Qatar and globally and, as a result, a significant risk of material adjustment to the carrying amounts of assets and liabilities may have arisen. COVID-19 pandemic continues to progress and evolve, therefore, it is challenging now, to predict the full extent and duration of its business and economic impact.

The Group continues to closely monitor as the situation progresses to manage any associated risk that may arise impacting business operations and financial performance in 2022. In view of the situation, the Group considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the consolidated financial statements.

31. SUBSEQUENT EVENTS

On 18 January 2023, the Board of Directors of the Company decided to liquidate the Dlala Information Technology Company W.L.L., a Subsidiary Company and discontinue its activities and plan for an orderly discontinuance, surrender of license and solvent liquidation of the Company's business. As a result of the liquidation, the Company has written off the full amount of investment in subsidiary.

On 28 February 2023, the judgment of the Court of Cassation in Appeal No. (795/2022) filed by its affiliated Dlala Brokerage Company against the Appeals Court's decision in numbers (26, 41, 42/2022), which ruled to uphold the Accounting Committee's decision No. 10/2020 of the Authority Qatar Financial Markets imposed a financial penalty on Dlala Brokerage Company in the amount of ten million Qatari riyals, as the ruling of the Court of Cassation decided to appeal the contested ruling and refer the case to the Court of Appeal to decide it again in a panel composed of other judges (Note 12).

Governance Report

دلالة القابضة
DLALA HOLDING

DLALA BROKERAGE & INVESTMENT HOLDING COMPANY

Q.P.S.C

The Corporate Governance report for the year ended on.

December 31, 2022

Introduction

DLALA Brokerage & Investment Holding (hereinafter referred to as "DLALA Holding", the "Company") is committed to applying the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Market Authority ("QFMA"). The development of corporate governance standards to achieve best practices of good governance is one of the priorities of the Board of Directors and Senior Executive Management of DLALA Holding. The Company continuously enhance and improve its governance principles and framework for the benefit of its current and potential shareholders and stakeholders. The current Corporate Governance framework of the Company involves maintaining a good relationship between the board of directors and Senior Executive Management with the shareholders, stakeholders, and the community.

this is to ensure continuous strengthening and improvement of the company's governance system. From this view, DLALA Holding confirms its constant keenness to commit to implementing the following:

- **equalization between all the shareholders of the company.**
- **Enhancing transparency and disclosure over material matters regarding the Company.**
- **Compliance with the rules of relevant and applicable laws and regulations issued by the authorities.**
- **Avoiding combination of roles of the Chairman and Executive Management.**

Compliance with QFMA laws and implementation of the governance code

DLALA Holding is keen to implement the governance code and enhance its practices within this code in line with local and international standards, and the Board of Directors is keen to establish effective principles and rules for control, which meet the highest standards of independence and transparency, to maintain the confidence of both investors now and in the future.

To achieve the principle of compliance, the Board of Directors has commissioned an external audit firm to develop a mechanism to follow up on compliance with the governance applications and improve the level of control in the company, consequently, this report highlights the key elements of the control system that have been designed, implemented and executed for the financial year of January 1, 2022 to Dec 31, 2022.

DLALA Holding continues to make progress in implementing and adhering to the governance code, but there must be some obstacles that will be addressed and improved to achieve the full governance code. For example, the IT security system was not reviewed periodically, the accounting policy was not reviewed periodically either, and the standard related to the information security guideline was not adopted. Compared to last year, DLALA Holding revised and approved the HR Manual on June 16, 2022.

Over the past years, DLALA Holding has strived to achieve the best in the implementation of the governance code and will continue its efforts to improve the current situation and meet all the requirements of the governance code in accordance with the best practices recognized locally and internationally. DLALA Holding also continues to develop the Company's Corporate Governance Code, which is reviewed periodically to ensure compliance with the Corporate Governance Code issued by the Qatar Financial Markets Authority. To view it, please refer to the company's website, which includes a definition of the company's governance structure, the responsibilities of the board of directors, its committees and senior executive management, to be used as a reference by the company's related parties (such as investors, shareholders, and stakeholders), that is also to understand the mechanism of applying the company's governance processes.

DLALA Holding has also developed policies related to the implementation of the governance code as follows:

- Related Party Transactions Policy.
- Disclosure policy.
- Insider's trading policy.
- Dividend distribution policy.
- Board Induction and Training policy
- Performance assessment for Board and Executive Management Policy
- Remuneration Policy.
- Nomination policy.
- Code of Conduct Policy.
- Stakeholder Rights Policy
- Whistleblowing policy.
- External Audit Policy.
- Corporate Communications Policy.
- Anti-Fraud Policy.
- Real Estate Policy.
- Risk Management Policy.

A new policy was added and approved at meeting No. (5) for the year 2022, the policy and procedures for operating vehicles.

The organizational structure was also approved by the decision of the Board of Directors in its meeting No. (4) of 2022 on 16/06/2022 and notified the Human Resources Department of this to take the necessary action regarding the placement and distribution of employees.

As part of the company's commitment to achieving local and international governance standards, DLALA Holding has amended the following articles (56-50-49-45-31) of its Articles of Association by a resolution of the Extraordinary General Assembly held on Wednesday 27/04/2022 to comply with Law No. (8) of 2021 amending some provisions of the Commercial Companies Law promulgated by Law No. (11) of 2015. You can view the company's articles of association through the website www.DLALAholding.com

As part of the Company's methodology to meet governance standards, the Board of Directors approved in its meeting No. (08) of 2021 a three-year strategic plan for the Company (2022-2024).

In conclusion, DLALA Holding, represented by the Board of Directors and senior executive management, emphasizes the promotion of corporate governance practices periodically, by setting the principles of transparency, accountability, fairness, and equality in accordance with the regulations issued by the Qatar Financial Markets Authority. As outlined in this report, DLALA Holding pledges to continue developing procedures that enhance governance, and to continue to update internal policies and procedures to ensure their compliance with corporate governance requirements. DLALA Holding also confirms its keenness to maintain the stability and growth of the company and gain the trust of its shareholders and other stakeholders.

Assessing (Evaluating) the Company's compliance with the governance code issued by QFMA

DLALA Brokerage & Investment Holding Company Q.P.S.C. "DLALA" assessed its compliance with the Articles of Association and the provisions of the Law and related legislation issued by the Qatar Financial Markets Authority (QFMA), including the provisions of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market (the "Law") which was published on May 15, 2017. the management concluded that it does not comply with the Articles of Association, the provisions of the Law and the relevant legislation of the Authority, including the provisions of the Law as of December 31, 2022, as described in The attached summary to assess DLALA'S compliance with the Corporate Governance Code.

The case of non-compliance with the following items is explained below in accordance with the Corporate Governance Code issued by the Qatar Financial Markets Authority.

1. Article (4) Procedures and policies related to risk management and comparative analysis of the risk factors faced by the company were not followed because there is no unit concerned with risk management.
2. Article (8) Periodic reports on risk management have not been submitted, as there is no concerned administrative unit to carry out its operations.
3. Article (8) Periodic reports have not been submitted on compliance with policies, procedures, laws, and regulations due to the absence of an employee or administrative unit entrusted with this competence in terms of the holding.
4. Article (10) The matrix of administrative and financial powers was prepared by an advisory office/delegation plan and was not approved by the Board of Directors.

5- Article (20) The risk record has not been updated during the year 2022.

6- Article (20) Failure to update technological security policies and procedures periodically based on the results of the technical risk assessment.

7- Article (20) Failure to adopt the plan of awareness and training programs for risk management, self-control, and internal control work.

8- Article (20) Failure of the audit plan to cover the governance and risk management code.

In addition to assessing the company's non-compliance with the legislation, circulars and decisions issued by the Qatar Financial Markets Authority, including:

1. Failure to update securities investment policies and procedures.
2. The absence of an investment policy that includes all the company's activities and diversification.
3. Policies related to investment in securities have not been updated since 2015.
4. There has been no update of financial policies and procedures since 2014.
5. Incomplete policies and procedures regulating the company's work and the need to study and review previously approved policies and procedures.

The Board of Directors

The Board of Directors is the basis of the company to achieve both the general interest of the shareholders and the company, and in order to ensure that DLALA Holding implements the governance code effectively, all its members are carefully selected to achieve the desired objectives of this board. This part of the report will focus on everything related to the Board of Directors, its members, and the most important work and events that took place in 2022.

Board formation

The Company shall be managed by a Board of Directors consisting of (9) members, elected by the General Assembly of Shareholders every three years, in the division set forth below.

- (3) members representing the founding bodies of the company.
- (6) members to be elected from the nominated shareholders

Provided that at least one third of the members of the Board are independent members, and the majority of the members of the Board are non-executive, with the authorization of allocating one or more seats of the Board to represent the minority, and another to represent the employees of the company.

On June 3, 2020, during the General Assembly, (9) members were elected as follows:

- Six representative shareholders, namely:

1. Mr. Abdullah Jassim Al-Darwish.
2. Mr. Yousef Abdulrahman Al-Khulaifi (Armed Forces Investment Portfolio).
3. Mr. Ali Hussein Al-Sada.
4. Mr. Faisal Ahmed Al-Sada.
5. Mr. Farhoud Hadi Al-Hajri.
6. Mr. Mohammed Sami Abu Sheikha.

- And three members representing the founders and they are as follows:
- One representative of the Pension Fund of the General Retirement and Social Security Authority - Mrs. Moza Mohammed Al-Sulaiti, and the seat became vacant since 08/08/2022 on the date of her termination of service from the Authority, and she was appointed on 14/08/2022 as CEO of DLALA Holding.
- Two representatives of the Qatar Investment Authority - Mrs. Dania Hassan Al-Khal and Mr. Mubarak Abdulaziz Al-Khulaifi, who have been appointed since 23/01/2022.
- On 27/10/2022, the resignation of the Chairman of the Board of Directors - Mr. Abdullah Jassim Al-Darwish, the appointment of Mr. Yousef Abdullah Al-Khulaifi as the Chairman of the Board of Directors, the appointment of Mr. Farhoud Hadi Al-Hajri as Vice Chairman, and the appointment of Mr. Abdullah Essa Al-Nasr, a reserve member of the Board of Directors to fill the vacant seat.

To implement the governance code and the charter of the Board of Directors, the Board Committees were reconstituted in meeting No. (11) of 2022 on 19/11/2022.

The charter of the Board of Directors of DLALA Holding was updated during 2022 in its meetings No. (2) dated 02/03/2022 and (9) dated 18/10/2022, which includes the following:

- Approval and ratification.
- Composition of the Council and prohibition of combining positions.
- Relationship with stakeholders.
- Collaborate with financial service providers.
- Responsibilities and Board of Directors.
- Main functions and functions of the Board of Directors
- Delegate tasks.
- Board meetings.
- Board Committees.
- Review the performance of the Board of Directors.
- Review the charter of the Board of Directors.
- Responsibilities of the Chairman and Vice-Chairman of the Board, Secretary of the Board and Chief Executive Officer.
- Obligations of the members of the Council.
- Professional conduct of the members of the Board of Directors.

Continued: Board of Directors

The table below shows the members of the Board of Directors membership status and percentage of ownership in the company:

No	Name	Membership Status	Ownership Percentage In a personal capacity	Percentage of shares owned by the representative
1	Mr. Yousef Abdulrahman Al-Khulaifi	Chairman of the Board of Directors – Non-Executive – Non-Independent – Representative of the Armed Forces Investment Portfolio (Founder)		5%
2	Mr. Farhoud Hadi Al-Hajri	Vice Chairman – Non-Executive – Independent	0.18%	
3	Mr. Ali Hussain Al-Sada	Board Member – Non-Executive – Non-Independent	0.18%	
4	Mr. Faisal Ahmed Al-Sada	Board Member – Non-Executive – Independent	0.18%	
5	Mr. Mohammed Sami Abu Sheikha	Board Member – Non-Executive – Independent	0.28%	
6	Mrs. Dania Hassan Al Khal	Board Member - Non-Executive - Representative of Qatar Investment Authority (Founder)		1.72%
7	Mr. Mubarak Abdulaziz Al-Khulaifi	Board Member - Non-Executive - Independent - Representative of Qatar Investment Authority (Founder)		1.72%
9	Pension Fund of the General Retirement and Insurance Authority	Vacancy (no replacement representative nominated to fill the seat)		4.85%
10	Mr. Abdulla Jassim Al Darwish	Former Chairman – Non-Executive – Independent	0.28%	

Biography of the members of the Board of Directors

1. **Mr. Abdulla Jassim Al Darwish (Former Chairman of the Board)**

- Holds a Bachelor of Architecture from the State of Carolina, USA.
- Businessman, Founder and Chairman of the Board of Directors of Al-Fareej Group.
- Chairman of the Executive Committee of DLALA Holding until the date of his resignation on 27/10/2022.

2. **Mr. Yousef Abdulrahman Al-Khulaifi (Currently Chairman of the Board)**

- Holds a Bachelor's degree in Management from Temple University, Philadelphia, USA.
- He held positions such as Portfolio Manager in Barzan Holding, Head of Strategic Investment in the Ministry of Defence, Acting Head of Risk Management in the Qatar Central Bank.
- Vice Chairman of the Board of Directors and Chairman of the Nominations and Remunerations Committee at DLALA Holding until 19/11/2022.
- Chairman of the Board of Directors and Chairman of the Executive Committee of DLALA Holding, as of 27/10/2022.

3. **Mr. Farhoud Hadi Al-Hajri (Vice Chairman)**

- Holds a Bachelor of Science from Qatar University in 2000, and a Master's in Business Administration from Jadara University, Jordan, in 2019.
- He Worked as an Adviser at the Ministry of Municipality, and currently at the Ministry of Environment.
- Member of the Board of Directors and Audit Committee of Widam Company.
- Chairman of the Audit Committee of DLALA Holding since 2020, and assumed the position of Vice Chairman of the Board of Directors of the company as of 27/10/2022.

4. **Mr. Mohammed Sami Abu Sheikha (Board Member)**

- Holds a Bachelor's degree in Business Administration from the Arab Academy for Science, Technology and Maritime Transport in the Arab Republic of Egypt in 2006.
- Worked at the Commercial Bank of Qatar for the period 2006-2018, the last of which was the position of Head of Banking Services.
- Member of the Audit Committee, and the Nomination and Remuneration Committee of DLALA Holding since 2020.

5. **Mr. Ali Hussain Al-Sada (Board Member)**

- Holds a Bachelor's degree in Islamic Sciences from Qatar University.
- A businessman with extensive experience in the financial sector, managing his own projects and investments.
- Serves as a board member and member of the executive committee in Qatar National Bank since 1998.
- Member of the Board of Directors of Qatar Navigation Company (Milaha), and a member of the Board of Directors of Halul offshore Services Company, wholly owned by Milaha.
- member of the Board of Directors of many companies outside the State of Qatar in the UAE, Bahrain and Syria.
- Member of the Board of Directors of DLALA Holding since 2011, and currently a member of its Executive Committee.

6. **Mr. Faisal Ahmed Ali Al Sada (Board Member)**

- Holds a Bachelor's degree in Sociology from Qatar University.
- A businessman and general manager of Dar Al Baraka Trading and Contracting Company.
- Member of the Board of Directors of DLALA Holding since 2020, and currently a member of the Audit Committee and the Nomination and Remuneration Committee.

7. **Ms. Dania Hassan Al Khal (Board Member)**

- Holds a Bachelor's degree in Business Administration from Qatar University in 2002, and a graduate of the School of Business Administration in Boston, USA.
- She held several positions in the Qatar Investment Authority, including; Financial Analyst and Treasury Manager, and currently the Executive Director of Fixed Income Corporate Loans.
- Member of the Board of Directors of DLALA Holding since 2022, and currently Chairman of the Nominations and Remuneration Committee.

8. **Mr. Mubarak Abdulaziz Al-Khulaifi (Board Member)**

- Director of Regional Business Development in Europe, Russia, and Turkey in the Qatar Investment Authority.
- Member of the Board of Directors of DLALA Holding since 2022, and currently a member of the Executive Committee

9. **Mr. Abdullah Ahmed Al-Nasr (Member of the Board of Directors of the Reserve)**

- Holds a Bachelor's degree in Law from the University of Britain.
- He was a military officer from 1993 until 2016.
- Serves as an Adviser on the board of directors of Palmyra Holding Company, and general manager of Vision International for business development in infrastructure and petroleum.
- Reserve member of the Board of Directors of DLALA Investment Holding Company.

10. **Mrs. Moza Mohammed Al-Sulaiti (Former Managing Director) – currently CEO of DLALA**

- She holds a Bachelor's degree in Management and Economics (major in Accounting) from Qatar University, and a Master's degree in Banking and Finance from Salford University in the United Kingdom.
- She held several positions in the General Authority for Retirement and Social Security, including; Director of the Planning and Quality Department / Acting Director of the Fund Accountancy Office from 2009 AD to 2022 AD.
- She held several positions in the State Audit Bureau from 1993 AD to 2009 AD; The last one is the head of the technical office.
- Participated in many business teams, economic and investment forums, and conferences inside and outside the State of Qatar.
- Member of the Board of Directors of DLALA Holding since 2011, and a member of the Executive Committee and the Audit Committee until October 2021.
- She assumed the position of CEO of DLALA Brokerage and Investment Holding Company since 14/08/2022.

Board Term & Renewal

The membership of the Board of Directors is for a period of 3 years per term, and the current Board of Directors expires at the end of the fiscal year 2022.

Board Meetings

In accordance with the provisions of the Companies Law No. (11) for the year 2015, QFMA's Law No. (5) Of 2016, and the Company's Articles of Association, the Board of Directors shall convene upon the invitation of the Chairman, or Vice-Chairman in case of Chairman's absence. The Chairman may call the Board for the meeting upon a request by at least two of its members. The number of meetings should not be less than six meetings during the fiscal year. The meeting of the Board shall not be valid unless attended by half of the members, including the Chairman or the Vice-Chairman, and may not exceed three months without convening the Board meeting. The Board of Directors shall meet in the Company's headquarters and may meet outside its headquarters.

The Board members of DLALA Holding must attend meetings regularly, and any absent member may, by written request, delegate any Board member to represent him in attendance and voting, in which case the representing Board member shall have two votes. A Board member cannot represent more than one member.

An invitation and notification to all members must be sent at least one week before the meeting, accompanied by the meeting schedule and the points to be discussed. Knowing that each member of the Board of Directors has the right to add an item for discussion if he wants to. In addition to attending the meetings of the Board of Directors as required to submit periodic reports related to its responsibilities and discuss topics that need approval by the Board of Directors.

Board meetings for the year 2022

Attached below is the schedule of attendance of the Board of Directors for the fiscal year 2022, as (11) meetings were held during this year

No	member name	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	Meeting (7)	Meeting (8)	Meeting (9)	Meeting (10)	Meeting (11)
1	Mr. Abdullah Jassim Al-Darwish (Chairman of the Board of Directors - previously)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Submission and acceptance of resignation on 27/10/2022
2	Mr. Yousef Abdulrahman Al-Khulaifi (Current Chairman)	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Farhoud Hadi Al-Hajry (vice president)	✓	✓	✓	✓	✓	✓	X	X	✓	X	✓
4	Mr. Ali Hussein Al-Sada (Member)	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓
5	Mrs. Moza Mohammed Al-Sulaiti (Representative of the Pension Fund of the General Retirement and Social Security Authority)	✓	✓	✓	✓	Termination of capacity as a representative of the Pension Fund on 07/08/2022	Mrs. Moza Al-Sulaiti started attending meetings as CEO since 14/08/2022					
6	Mr. Mohammed Sami Abu Sheikha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Mr. Faisal Ahmed Al-Sada	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Mr. Mubarak Abdulaziz Al-Khulaifi (Representative of Qatar Investment Authority)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Mrs. Dania Hassan Al Khal (Representative of Qatar Investment Authority)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Legend

Present (✓)

Absent (X)

Board Evaluations

DLALA Holding is keen on activating and developing the participation of the Board of Directors and its scope of effectiveness throughout the year, by conducting an annual self-evaluation as a key item of governance, which provides an opportunity for effective participation of the members of the Board of Directors. The Nomination and Remuneration Committee is responsible for coordinating this evaluation, which aims to assist Board members in comprehensively reviewing and improving their performance annually. This evaluation also allows the Group to measure the composition of the Board of Directors in terms of participation, performance effectiveness, professional background, and ability to achieve the company's strategic objectives.

Prohibition of combining positions

After the election of the Board of Directors and the selection of its members, the new Board of Directors meets and selects a Chairman and a Vice-Chairman for a period of one year. According to the terms of Article (7) of the Corporate Governance Law of the Qatar Financial Markets Authority, "No one may personally or in his capacity be Chairman of the Board or Vice Chairman of more than two companies headquartered in the State, nor be a member of the Board of Directors of more than three companies whose head offices are located in the State, nor be a managing director of management in more than one company with its head office in the State, nor combine the membership of the boards of directors of two companies practicing a homogeneous activity."

The combination of the chairmanship of the Board or any executive position of the Company shall be attended, and the Chairman may not be a member of any of the Board committees stipulated in these Regulations.

For the fiscal year 2022, both the Chairman of the Board of Directors and the members of the Board submitted an acknowledgment not to combine any of the positions they are prohibited from combining in accordance with the Law and the provisions of this Regulation. Note that the company obtains the declaration annually, and the secretary of the board keeps these decisions in special files.

Board remuneration

DLALA Holding has developed a Remuneration Policy approved by the Board in 2019, which outlines how the remuneration of the Board members is determined and allocated. In accordance with the applicable laws and regulations such as the Commercial Companies Law and QFMA requirement, the Company adopted the remuneration policy of the Board members in line with the said regulations.

The financial statements are referred to in relation to the allowances granted to the members of the Board of Directors during the year 2022.

Board Chairman responsibilities

The Chairman of the Board of Directors is the representative of the company before third parties and before the judiciary, and he is primarily responsible for good management in an effective and productive way to achieve the interest of the company, partners, shareholders, and all stakeholders. The duties and responsibilities of the Chairman include the following:

1. Ensure that the Board discusses all key issues effectively and in a timely manner.
2. Approving the agenda of the meetings, considering the issues raised by any member of the Board.
3. Encouraging the members of the Board to work collectively and effectively in managing the affairs of the Board, to ensure that the Board carries out its responsibilities in the interest of the company.
4. Making all data, information, documents, papers and records of the company and the Board and its committees available to the members of the Board.
5. Finding channels of actual communication with the shareholders and working to communicate their opinions to the Board.
6. Allowing the non-executive members of the Board to actively participate and encourage constructive relations between the executive and non-executive members of the Board.
7. Keeping the members constantly informed about the implementation of the provisions of this code, and the chairman may authorize the audit committee or others to do so.

Board Members Responsibilities

The Board has prepared a Board Charter that outlines its responsibilities, duties as well as its functions. The Charter also includes the responsibilities of the Chairman of the Board and other relevant items required by the QFMA, published on the website of the Company. The Board Charter aims to make the Company's corporate governance code more transparent, understandable, and accessible to all shareholders.

The responsibilities of the Board members as set out in the Charter includes, but not limited, to the following:

1. Develop the company strategy (including objectives, vision, mission, goals, strategies, and strategic plans) and monitor the management's implementation of that strategy.
2. Appointing and dismissing the CEO of the company, determining the duration of his service, his salary, his remuneration and the control of his performance compared to the objectives set.
3. Approve the appointment and dismissal of the Board Secretary and the Senior Executive Members (as requested).
4. The Board is responsible for ascertaining the formation of the Board as stipulated in the Company's Bylaws and in accordance with the requirements of other relevant legislations, including the Corporate Governance code issued by Qatar Financial Markets Authority (including the Board of Directors) And that at least one-third of the Board shall be composed of independent members if most of the members of the Board are composed of non-executive members. Nominations for membership of the Board shall be carried out in accordance with the guidelines for financial solvency and adequacy contained in the Corporate Governance Regulations The listing of terms and conditions that ensure that shareholders will receive information prior to the voting process in respect of candidates to be members of the Dlala Board, the voting process for board members' election and the procedures for the dismissal of board members, including failure to attend board meetings. The Board believes that it is necessary to submit a proposal to the Extraordinary General Meeting of Shareholders to amend the Company's Articles of Association.
5. Determine the independence of non-executive members on a regular basis and in accordance with the requirements of the Corporate Governance code issued by Qatar Financial Markets Authority.
6. The powers, duties and responsibilities delegated to the members of the Board of Directors, including the Chairman, Vice President, and Chief Executive Officer.
7. Rewards policy and nomination periods for Board members, assisted by Nominations, Remuneration and Governance Committee.
8. Training program for new board members to ensure that when elected, they will be fully aware of their responsibilities and have a proper understanding of the management of the company.
9. Develop a corporate governance code that complies with the provisions of the code, and the general supervision and control of its effectiveness and modification when needed.
10. Inform members of the latest developments in corporate governance and best practices in the company.
11. Appoint committees that the Council deems appropriate to assist them in carrying out their duties, responsibilities, and responsibilities.
12. Approve policy on current policy change and current practice presented through committees or management.
13. Control the financial performance of the company.
14. Monitoring financial results and integrity of reports, particularly approving annual budgets, including large capital expenditures, business plans and long-term strategies.
15. Ensure the integrity of the company's financial reports and other reports through approval and control (with the assistance of the Audit Committee).
16. Monitor the performance of the company and compare it with budgets and plans.
17. Setting certain limits for the powers of senior executive management based on the decision of the Board of Directors.
18. Develop a written policy that regulates the relationship between stakeholders to protect them and preserve their rights.
19. Risk management and supervision of internal controls. Ensure effective audit, risk management and compliance codes and apply them to protect the Company's assets and reduce the likelihood of operating the Company in any manner contrary to legal requirements or acceptable risk criteria. Review the application and effectiveness of risk management and internal control code.

Continued: Board Members Responsibilities

20. Significant changes in accounting procedures and policies and risk management.
21. Matters that will have a material impact on the Company's financial position, liabilities, future strategy, or reputation. Compliance with contracts, laws, legislations, legislative obligations, and ethical standards.
22. Monitor compliance with contracts, laws, legislations, legislative obligations, and ethical standards.
23. Setting standards for professional conduct and ensuring compliance.
24. Proposing changes to the company's Articles of Association and internal legislation.
25. Conduct regular review on a senior management and development succession plan.
26. Ensure that the company has adequate resources to implement the company's strategies and day-to-day operations successfully and effectively.
27. Ensure that the company has adequate insurance cover for the products and general liabilities and responsibilities of members and employees in the event of a claim on the company.
28. Company Policies Regarding Recruitment and rewards.
29. Problem management and management reputation.
30. Invite all shareholders to attend the General Assembly meeting in the manner prescribed by law, and the invitation and announcement shall include a full summary of the agenda of the General Assembly, including the item for discussing and approving the Corporate Governance Report.
31. Appointing the external auditor based on the recommendation of the Audit Committee. The recommendation submitted to the Board by the shareholders shall be ratified at the Ordinary General Meeting of the Company and compliance with the provisions of the circular of the external auditor.
32. Due diligence on any matters and observations made by external auditors. Ensure timely response by the Board of Directors to any inquiries and matters contained in the correspondence or reports of external auditors.
33. Appointing the internal auditor and ensuring his independence, provided that such independence is supported by the Board of Directors determining the salaries and remuneration of internal audit.
34. Follow-up with the Senior Executive Management for the purpose of carrying out any specific tasks by the external or internal auditor.
35. Coordination between the external auditor, the internal auditor, and the audit committee.
36. Ensure that the members of the Audit Committee, Nominating Committee, Remuneration, Governance and External Auditor are present at the AGM.
37. Ensure that the company is committed to the relevant laws and regulations in addition to the statutes and internal regulations. The Board is also responsible for protecting the Company against illegal, disruptive or inappropriate procedures and practices. The Board should review and update the governance policies. The Board shall regularly review and update the Code of Conduct in respect of company values and policies and act on other internal procedures and ensure that all Board members and employees are complied with, as well as Company consultants.
38. The Board should review the principles of professional conduct regularly to ensure that they reflect best practices and that they meet the needs of the company.
39. Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management.
40. The Board shall have full and immediate access to the Company's information, documents, and records. The senior management of the company shall provide the Board and its committees with all the documents and information they request.
41. Developing a clear policy for contracting with the Related Parties and presenting it to the General Assembly for approval.
42. The Board of Directors periodically develops awareness programs to spread the culture of self-censorship and compliance with the relevant laws, legislations and regulations governing the work of the Company.

Official Spokesperson

As part of QFMA requirements, the company has appointed an authorized person as the official spokesperson for the company:

Mr. Mohamed Al-Sadi - Operations Manager (until November 2022)

Board Secretary

The Board has appointed Mr. Islam Saber Yassin as the Board Secretary. Mr. Islam Yassin has a Bachelor of Laws from Alexandria University (the Arab Republic of Egypt) in 2006. He is currently the Assistant Director of the Legal Department at DLALA Brokerage and Investment Holding Company, and he has been working for the company since 2010 and has 12 years of experience with a joint stock company.

The Board Secretary shall provide assistance to the Chairman and all members in conducting their duties and shall comply to conduct all Board functioning, including:

- Recording the minutes of the Board meetings setting out names of the attending and absent members and the meeting discussions and prove members objections to any decision issued by the Board.
- Recording the Board decisions in the register prepared for this regard as per issuance date.
- Recording the meeting held by the Board in a serial numbered register prepared for this regard arranged as per the holding date setting out names of the attending and absent members, the meeting discussions, and the members objections, if any.
- Safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records.
- Sending to the Board members and participants - if any – the meeting invitations accompanied with the agenda at least two weeks prior to the meeting specified date and receiving members' requests to add an item or more to the agenda with submission date.
- Making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Company including shareholders, management, and employees.
- Enabling the Chairman and the members to have timely access to all Information, documents, and data pertaining to the Company.
- Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.

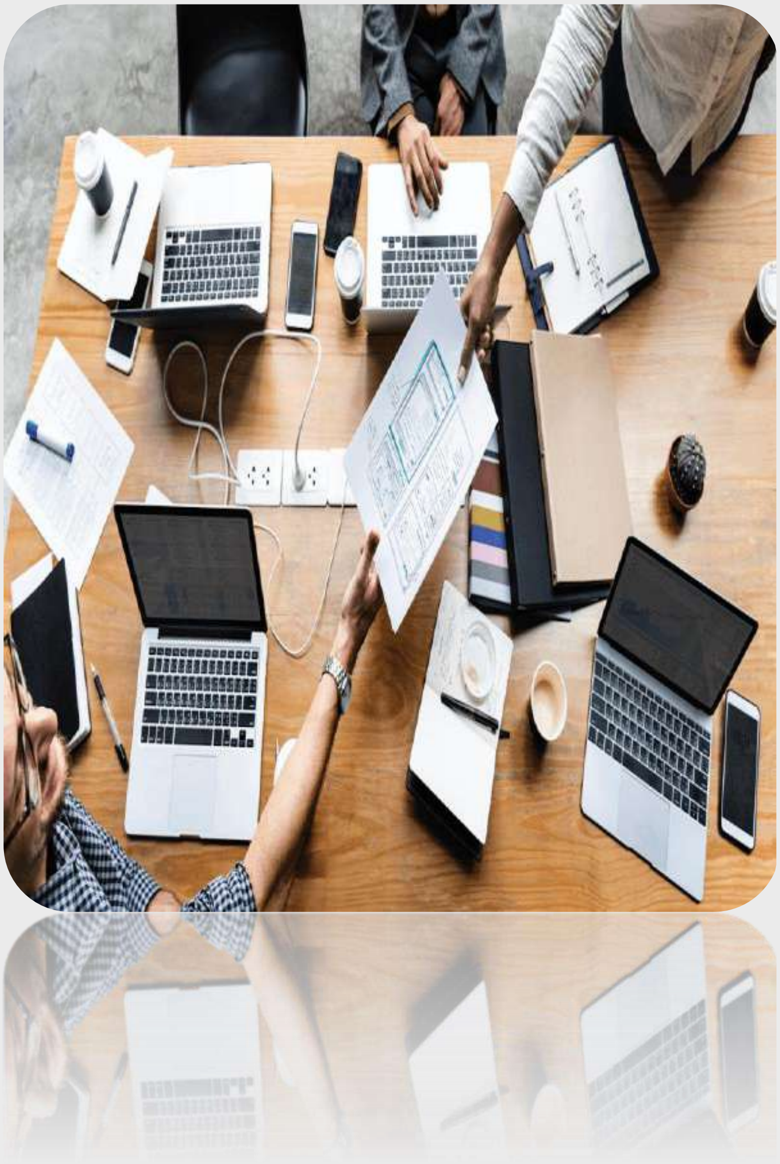
The Board Committees

The Board may delegate to its committees to exercise some of such powers and may form a special committee or more to carry out specific tasks to be stipulates in the decision of formation the nature of those tasks.

The Committees established by the Board are the following:

- **Audit Committee**
- **Nominations, Remuneration Committee**
- **executive committee**

Although the Board has delegated some of its powers to the above-mentioned committees, the ultimate responsibility of the Company rests with the Board of directors and they shall avoid issuing a general or an open-ended delegation



The responsibilities of each Committees are incorporated and documented in the Board Charter of the Company approved by the Board of Directors. In addition, on a periodic basis, the Board conducts performance evaluation of its committees' achievements to ensure that the members of the Committees have clear roles and understood by each member. Pursuant to Article (19) of the QFMA's Corporate Governance Code, each Committee shall submit its annual report to the Board including its work and recommendations.

Audit Committee

The responsibilities of the Audit Committee are to assist the Board in fulfilling its responsibilities with respect to, but not limited to the following:

1. Preparing and presenting to the Board a proposed Internal Control system for the Company and conducting periodic reviews whenever necessary.
2. Report to the Board of Directors about the Committee as stipulated in the Corporate Governance code, issued by Qatar Financial Markets Authority.
3. Consideration of any other matters as determined by the Board of Directors.
4. Monitoring the risk factors of DLALA and the recommendation of the Board of Directors to reduce these factors.
5. Auditing the systems of financial and internal control and risk management.
6. Discuss the internal control systems with respective departments to ensure that departments carry out its duties towards the development of efficient internal control systems.
7. Consider the results of the major investigations in internal control matters at the request of the Board of Directors, or the Committee shall do so on its own with the approval of the Board of Directors.
8. Reviewing the financial and accounting policies and procedures of DLALA.
9. Taking care of any issues raised by external auditors.
10. Ensuring that the Board of Directors responds in a timely manner to inquiries and matters included in letters and reports of external auditors.
11. Ensure that the external auditor attends the general assembly and delivers the annual report and respond to any questions or inquiries in this regard.
12. Supervise a commitment to the Code of Professional Conduct.
13. Ensure that all laws and instructions relating to the activities of DLALA are duly observed.
14. Ensure that the rules of procedure for the terms of reference of the Board are properly applied.
15. Attendance of the General Assembly.
16. Monitor the accuracy and validity of financial statements, and annual, semi-annual, and quarterly reports, and review such data and reports, with particular emphasis on the following:

- Any changes in the accounting policies.
- Any affairs that are subject to the senior executive management.
- Major adjustments resulting from the audit.
- Ability to continue its operations as an entity.
- Compliance with accounting standards - International Financial Reporting Standards.
- Adhering to the rules of the Qatar Exchange.
- Compliance with disclosure rules and any other requirements related to financial reporting.

17. Consider any important and unusual issues that can be found in financial reports and indicative accounts.
18. Oversee and follow up on the independence and objectivity of the external auditor to determine the nature, scope, and effectiveness of the external audit in accordance with international auditing standards and in accordance with International Financial Reporting Standards.
19. Ensure that the external auditor conducts annual and semi-annual audits to provide objective assurance to the Board of Directors and shareholders that the financial statements are prepared in accordance with the laws, regulations and international standards for reporting and represent the financial position and performance of DLALA accurately in all material respects.
20. Meet external auditors at least once a year.
21. Recommendation to the Board of Directors on the appointment of external auditors, following the guiding principles as follows:

   • The external auditors should be independent and have no other interests in DLALA or its board members other than auditing. The absence of any conflict of interest is required in the external auditor's relationship with DLALA.

   • The external auditors shall be professional and have specialized experience in the audit of the financial statements of the listed companies based on the International Standards on Auditing and International Financial Reporting Standards.

   • Follow up of the rules and regulations in force regarding the appointment of the auditor.

22. Review the letter of appointment of the external auditor and his business plan and any important clarifications requested by the auditor from the senior management regarding accounting records, financial accounts, or control systems, as well as the response of the senior executive management.
23. Evaluation of External Auditor's Performance.

Continued: Audit Committee

24. Consultation - at the expense of DLALA Company - with any independent expert or consultant with the prior approval of the Board of Directors.
25. Recommendation regarding all activities related to training, promotion and development of human resources and follow-up.
26. Delegation of responsibilities to a subcommittee comprising one or more members of the committee or to the CEO of DLALA.
27. Ensure that the internal audit function includes at least one internal auditor appointed by the Board of Directors.
28. Recommendation of the Board of Directors regarding the adoption of the scope of the internal audit and include, in particular: -

- Monitor and supervise the financial, investment and risk management procedures.
- A comparative assessment of the evolution of risk factors and systems used to respond to drastic or unexpected changes in the market
- Evaluation of the performance of the Board of Directors and senior management in the implementation of internal control systems, including the number of times the Board of Directors has been informed of matters related to oversight (including risk management) and the way the Board deals with such matters.
- The failure of internal controls and their weakness or emergencies that have affected or may affect the financial performance of DLALA and the procedures followed by the company to correct internal control failures (especially the problems included in the annual reports and financial statements).
- DLALA's commitment to the rules and regulations applicable to market lists and disclosure.
- DLALA's commitment to internal control systems in identifying and managing risks.
- All information describing the risk operations of DLALA.

29. Supervise the internal auditing process, and ensure that the internal audit means the following tasks: -

- Review internal control systems and supervise their implementation
- Internal audit work as an independent process, and by a trained and qualified staff
- The internal audit will report to the Board through the Committee
- Internal audit covers all activities of DLALA
- Internal auditing is independent of daily operational functions in DLALA. The independence shall be imposed through compensation paid to the internal auditor determined by the Board of Directors on the recommendation of the Committee
- The internal auditor shall attend the General Assembly meeting

Audit Committee members

The Committee is comprised of three members, chaired by an independent member, and majority of the members have extensive knowledge on financial affairs. Attached below are the members of the Audit Committee as they are on December 31, 2022.

No	member name	position
1	Farhoud Hadi Al-Hajry	Chairman of the Committee
2	Mohamed Sami Abu Sheikha	Committee Member
3	Faisal Ahmed Al Sada	Committee Member

The Audit Committee held (6) meetings during the fiscal year 2020 and details of the attendance are outlined below.

No	member name	position	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)
1	Farhoud Hadi Al Hajri	Chairman of the Committee - Vice Chairman of the Board of Directors	✓	✓	✓	✓	✓	✓
2	Moza Mohammed Al-Sulaiti	Member of the Committee - Member of the Board of Directors - Representative of the Retirement and Pension Fund	✓					
3	Mohammed Sami Abu Sheikha	Committee Member - Member of the Board of Directors	✓	✓	✓	✓	✓	✓
4	Faisal Ahmed Al Sada	Committee Member - Member of the Board of Directors		✓	✓	✓	✓	✓

The members of the committee were reconstituted on 02/03/2022, and Mr. Faisal Al-Sada was appointed to replace Mrs. Moza Al-

Decisions and recommendations of the Audit Committee for the fiscal year 2022:

- Cancellation of the appropriation of the budget for the venue project to hold entertainment events during the World Cup period
- Nominating the Mazars office to provide external audit services for the year ending 2022.
- Violations of the corporate governance code and legal entities listed in the main market.
- A recommendation to conduct internal investigations into abuses committed by some employees.
- Approval of changing a decision regarding renting villas belonging to DLALA Real Estate Company to selling them

Nomination, Remuneration Committee

Subject to the requirements of the Qatar Financial Markets Authority, the Nomination and Remuneration Committees have been merged into one committee in accordance with the Governance System. The Nomination and Remuneration Committee is primarily responsible for ensuring that nominations and the appointment of directors are made in accordance with formal, strict, and transparent procedures in accordance with the requirements of the Qatar Financial Markets Authority, the Commercial Companies Law No. (11) of 2015, the Company's Articles of Association and applicable regulations.

The Nomination, Remuneration Committee consists of (3) members who were reconstituted on 19/11/2022 as follows:

No	member name	position
1	Mrs. Dania Al Khal	Chairman of the Committee
2	Mr. Mohammed Abu Sheikha	Committee Member
3	Mr. Faisal Al-Sada	Committee Member

The responsibilities of the Nomination and Remuneration Committee are summarized as follows:

1. Setting general principles and criteria for the General Assembly to be used in electing the appropriate person from among the candidates for membership of the Council.
2. Nominate members in accordance with the requirements of the membership of the Council if any of its seats become vacant.
3. Prepare and submit the succession plan, the orientation training program for the new members of the Board of Directors, as well as the training process, the work plan of the members of the Board of Directors and the annual corporate governance report to the Board of Directors for approval based on the Corporate Governance Code issued by the Qatar Financial Markets Authority.
4. Nomination of members commensurate with the job requirements of the senior executive management.
5. Receiving applications for candidacy for membership of the Council.
6. Submitting the list of candidates to the Council, including its recommendations in this regard, along with attaching and sending a copy to the Commission.
7. Submitting an annual report to the Council that includes a comprehensive analysis of the Council's performance, identifying strengths and weaknesses, and its suggestions in this regard.
8. Determining the general policy for granting bonuses in the company annually, including the method for determining the remunerations of the chairman and members of the Board, provided that the annual remuneration of the Board does not exceed 5% of the net profit of the company after deducting the reserve and legal deductions and distributing cash and in-kind profits to shareholders.
9. Determining the basis for granting allowances and incentives in the company, including the issuance of incentive shares for its employees.
10. Proposing to the Board of Directors to amend the Articles of Association of the company and to approve it at the Extraordinary General Assembly meeting of shareholders, if the Committee deems that such amendments are necessary.

Nomination, Remuneration and Governance Committee (NRGC)

The Nomination, Remuneration and Governance Committee held two meetings during the fiscal year 2022, shown below is the members' attendance table.

Sak	member name	position	Meeting No. (1)	Meeting No. (2)
1	Mr. Youssef Abdul Rahman Al-Khulaifi	Chairman of the Committee - Vice Chairman of the Board of Directors - representative of the Armed Forces investment portfolio	✓	✓
2	Mr. Ali Hussein AL Sada	Committee Member - Member of the Board of Directors	✓	The committee was reconstituted and Mr. Ali Al-Sada left on 02/03/2022
3	Mrs. Dania Al-Khal	Chairman of the Committee - Member of the Board of Directors - Representative of the Qatar Investment Authority	✓	✓
4	Mr. Tamim Hamad Al-Kuwari	Member of the Board of Directors - a representative of the Qatar Investment Authority	The assignment of Mr. Tamim Al-Kuwari to the Board of Directors was terminated on 23/1/2022	
5	Mr. Khaled Youssef Al-Subaie	Member of the Board of Directors - a representative of the Qatar Investment Authority	The assignment of Mr. Khaled Al-Subaie to the Board of Directors was terminated on 23/1/2022	
6	Mrs. Moza Mohammed Al-Sulaiti	Managing Director - a representative of the Retirement and Pension Fund	The committee was reconstituted and Ms. Moza Al-Sulaiti was appointed on 02/03/2022 Until the end of her assignment as a representative of the Fund on 8/8/2022.	
7	Mr. Mohamed Sami Abu Sheikha	Committee Member - Member of the Board of Directors	The committee was reconstituted, and Mr. Mohammed Abu Sheikha was appointed on 18/10/2022	
8	Mr. Faisal Ahmed AL Sada	Committee Member - Member of the Board of Directors	The committee was reconstituted on 19/11/2022 and Mr. Faisal Al-Sada was appointed	

Changes to the Nomination and Remuneration Committee for the year 2022:

02/03/2022 – The members of the Committee were reconstituted – and Mrs. Dania Al-Khal was appointed as a member after the end of the mandate of Mr. Tamim Al-Kuwari, and Mrs. Moza Al-Sulaiti was appointed after the end of the mandate of Mr. Khalid Al-Subaie and Mr. Ali Al-Sada left the Committee to be composed of 3 members.

18/10/2022 – The members of the Committee were reconstituted, and Mr. Mohammed Abu Sheikha was appointed to replace Ms. Moza Al-Sulaiti as Chief Executive Officer.

19/11/2022 – The members of the Committee were reconstituted – by amending the capacity of Mrs. Dania Al-Khal to become Chairman of the Committee and adding Mr. Faisal Al-Sada, due to the end of Mr. Yousef Al-Khulaifi's term and his election as Chairman of the Board of Directors.

Decisions and recommendations of the Nomination and Remuneration Committee for the fiscal year 2022:

- Approving the evaluation and rewards policy for service departments.
- Approving the evaluation model for employees and managers.
- Submitting a recommendation to the Board of Directors to approve the approval of a total amount of QR 927,808 due from the financial statements for the year 2021 to be distributed as remuneration to the Company's employees in accordance with the Valuation and Remuneration Policy for the year 2021.

Executive committee

The Executive Committee is formed under the chairmanship of the Chairman of the Board of Directors and the membership of at least (2) members of the Board of Directors. The responsibility and duties of the Executive Committee are explained below:

1. Developing the general policies of the Company and incorporate over the internal policies and procedures.
2. Reviewing and approving the organizational structure of the company.
3. Monitoring and supervising the financial performance of the company.
4. Reviewing the Company's annual budget before submitting it to the Board of Directors for approval.
5. Developing the investment policy of the company.
6. Developing investment policy for the company's portfolio of securities and the method of managing them.
7. Approving investment projects, if any.
8. Reviewing and approving the sale of any assets of the company except investment properties and shares.
9. Approving agreements and commitments that exceed the authority of the Chief Executive Officer (CEO)
10. Approving the loans required by the company.
11. Approving the business plans of DLALA Holding and its subsidiaries before submitting them to the Board of Directors.
12. Reviewing and approving proposals for capital change and structure of the company.
13. Reviewing and approving proposals for issuing bonds or securities.
14. Appointing and terminating the services of the Chief Executive Officer and Executive Vice President and determination of their salaries.

Executive Committee members

The Executive Committee consists of (3) members of the Chairman of the Committee and two members of the Board.

The committee was formed several times in the fiscal year 2022 and is as follows:

- **From 24/01/2022 to 02/03/2022:**

Table No. (1)

No	member name	position
1	Mr. Abdullah Jassim Al-Darwish	Chairman of the Committee - Chairman of the Board of Directors until the date of resignation 27/10/2022
2	Mr. Muhammad Sami Abu Sheikha	Committee Member - Member of the Board of Directors
3	Mr. Faisal Ahmed AL Sada	Committee Member - Member of the Board of Directors

Table No. (1)

- **The committee was reconfigured on 02/03/2022 and Ms. Dania Al-Khal was added, so the committee became (4) members on 18/10/2022:**

Table No. (2)

No	member name	position
1	Mr. Abdullah Jassim Al-Darwish	Chairman of the Committee - Chairman of the Board of Directors until the date of resignation 27/10/2022
2	Mr. Ali Hussein AL Sada	Committee Member - Member of the Board of Directors
3	Mr. Mubarak Abdulaziz Al-Khulaifi	Committee Member - Member of the Board of Directors
4	Mrs. Dania Hassan Al-Khal	Committee member - board member - representative of the Qatar Investment Authority

Table No. (2)

- **The Executive Committee was also reconfigured on 19/11/2022 with unanimous approval to reconfigure the Board of Directors committees, they are as follows:**

Table No. (3)

No	member name	position
1	Mr. Youssef Abdul Rahman Al-Khulaifi	Chairman of the Committee - Chairman of the Board of Directors
2	Mr. Ali Hussein AL Sada	Committee Member - Member of the Board of Directors
3	Mr. Faisal Ahmed AL Sada	Committee Member - Member of the Board of Directors

Table No. (3)

Executive Committee Meetings

The Executive Committee held (11) meetings during the fiscal year 2022 according to the following schedule shown for the attendance of the members of the Board:

No	member name	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	Meeting (7)	Meeting (8)	Meeting (9)	Meeting (10)	Meeting (11)
1	Mr. Abdullah Al Darwish	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	☒
2	Mr. Mohammed Abu Sheikha	✓	✓	✓	✓	☒	☒	☒	☒	☒	☒	☒
3	Mr. Faisal Al Sada	✓	✓	✓	✓	☒	☒	☒	☒	☒	☒	☒
4	Mr. Ali Al-Sada	☒	☒	☒	☒	✓	✓	✓	X	✓	✓	X
5	Mr. Mubarak Al-Khulaifi	☒	☒	☒	☒	✓	✓	X	✓	✓	✓	✓
6	Mrs. Dania Al Khal	☒	☒	☒	☒	☒	☒	☒	☒	✓	✓	✓
7	Mr. Yousef Al-Khulaifi	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	✓

Legend

✓ Present

X Absent

☒ Not yet a member

⃠ Replaced, with a request coming from the authority from which he represents

Decisions and recommendations of the Executive Committee for the fiscal year 2022

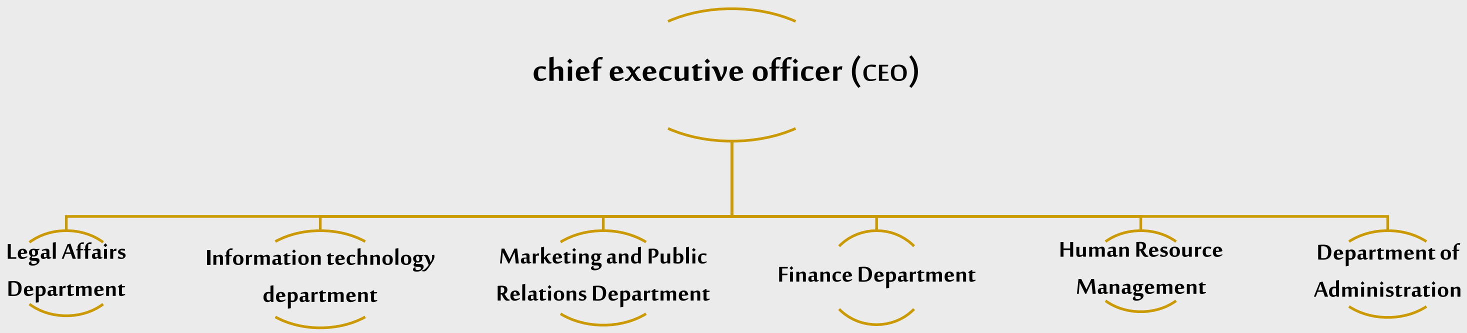
- Approval of the strategic plan and organizational structure of DLALA Holding Company and its subsidiaries and submitted its recommendation to the Board of Directors for approval.
- Approving the company's general budget for the year 2022 and submitting a recommendation to the Board of Directors for approval.
- Proposing the date and agenda of the ordinary and extraordinary general assembly meetings and submitting the proposal to the Board of Directors for approval.
- Approval of the proposal of the Managing Director to take the necessary legal measures to terminate the services of employees of retirement age (60 years) in accordance with the applicable laws and the company's human resources regulations.
- Approval of the proposed amendments to the Human Resources Regulations of DLALA Holding Company and recommended that the proposed amendments be submitted to the Board of Directors for final approval.

Senior Executive Management

The senior executive management is responsible for supporting and assisting the CEO in the conduct of DLALA'S general operations and financial business in accordance with the delegated authority of the Board of Directors. Note that no key employee owns shares in the company, and the Nomination, Remuneration and Governance Committee has developed a specific policy for executive management remuneration and was approved in February 2019.

This policy explains the mechanism so that rewards are directly related to effort and performance at the management and employee levels through achieving the objectives and goals assigned in accordance with profitability, risk assessment and overall performance of the company.

The senior executive management is formed as follows:



Profile of the main employees of the senior executive management

Mrs. Moza Mohammed Al-Sulaiti – CEO of DLALA

She has been the CEO of DLALA Holding Company since 14/08/2022. She has a bachelor's degree in Economics and Management (Accounting) from Qatar University, and a master's degree in Banking and Finance from the University of Salford, UK. She was the Director of Planning and Quality Department / Acting Director of the Fund Accounts Office at the General Retirement and Social Insurance Authority from 2009 until 2022. She previously worked at the State Audit Bureau from 1993 to 2009. She has participated in many economic and investment forums and conferences in the State of Qatar.
She served as a member of the Executive Committee and Audit Committee of DLALA Brokerage and Investment Holding Company until October 2021.

Mr. Hamza Al Kalaf – chief audit executive

He has been the chief audit executive of DLALA Holding since 2012.
He has a Bachelor of Commerce (Accounting Division) in 1999 from Menoufia University, Egypt. He worked at Price Waterhouse Coopers before joining DLALA Holding as a Senior Auditor.

Mr. Mohammed Suhail – Acting director of finance department

Acting Chief Financial Officer and has been working for the company since 2008, he has a Bachelor of Commerce from Mumbai University (India) and a Master of Business Administration (MBA) from Annamalai University (India). He also has experience in accounting and finance in both India and Qatar.

Mr. Tarek Awad Al-Karim - Director of Legal Affairs

He is the Director of Legal Affairs at DLALA Holding Company and has been appointed to the company since 2008. He has a Bachelor of Law, Zagazig University, Egypt, 1989, and an Executive Diploma in Compliance and Financial Crimes from the University of Reading, Britain, 2015. He worked as a lawyer in Sudan and Qatar, an advisor at the Ministry of Justice in Sudan, a prosecutor at the Public Prosecutor's Office in Sudan, and an investigator for criminal affairs at the Ministry of Interior in Qatar.

Mr. Firas Ghassan – Director of Information Systems Department

He has been the company's information systems manager since January 2020 and has been working for the company since 2005. He has a bachelor's degree in Computer Science from the Arab Academy for Science and Technology in Alexandria and has several certificates in the field of information technology.

Ms. Noor Al-Maadadi - HR Former manager

She is the Director of Human Resources from 2021 until the end of 2022. She has a Bachelor of Science in Healthcare Management from George Mason University, USA. She has experience in human resources management at Barwa Real Estate Company.

Mr. Abdullah Mohammed Al Suwaidi – Former Director of Administrative Affairs

He is the Director of Administration at DLALA Holding from 2012 until July 2022. He has a military diploma from the Kuwait Military College. He has several training courses in supervisory skills and business administration.

Mr. Mohammed Al Sadi - Marketing & Public Relations Department

He has been working for the company since 2005 and has held several positions there. He has a Bachelor of Arts major in media from Zagazig University in Egypt, and a master's degree in Business Administration (Strategic Planning) from the American University in Cairo. He also has previous experience in several positions, including Senior Translator at Qatar International Trading Company and worked as a Senior Journalist at the Middle East News Agency.

Internal Control System

Based on the corporate governance code that requires an internal control system for the company, DLALA Holding Company is keen to comply with the laws and the work of an internal control unit responsible for developing clear plans for responsibility and accountability in all departments of the company.

Internal control systems include effective and independent assessment procedures for risks and administrative functions, as well as internal, financial, operational, and external audit, and internal control systems ensure that all transactions with related parties are handled in accordance with the requirements related to them.

The Board of Directors also assumes full responsibility for the internal control system of the Company and the Audit Committee assists the Board of Directors in this regard by reviewing the internal control system of the Company and the Internal Audit Department submits a quarterly report (every 3 months) to the Audit Committee.

Note that the company evaluates the internal control system for financial reports, and exceptions were shared in the annual report and the external auditor's report.

Internal Auditor

DLALA Holding has an established Internal Audit Department headed by the Internal Audit Manager, Mr. Hamza Shukri, who joined in March 2012. The Internal Audit Department is an independent function and offers assurance and consultancy services within the Company. It intends to add value to the Company's operations, improve their performance, including helping the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit Department has the following responsibilities:

- Reviewing internal control systems and monitoring their application.
- Submit quarterly reports to the Audit Committee, which include a review and evaluation of the company's internal control system.
- To be able to access all the activities of the company.
- To be an independent department, including independence from the company's daily operations.
- The workflow should be carried out by competent and highly trained and practically independent employees.

External Auditor

The external auditor is a qualified independent entity, appointed based on the recommendations of the Audit Committee of the Board of Directors and a resolution of the General Assembly of the Company, and an annual and semi-annual independent review shall be conducted, with the aim of providing objective guarantees to the Board of Directors and shareholders, provided that the financial statements are prepared in accordance with the provisions of this Charter and the relevant laws and regulations. International Financial Reporting Standards accurately present the financial position and performance of the company in all material aspects. The external auditor must be compliant with the highest professional standards and may not be contracted by the company to provide any advice or services related to the implementation of the company's audit work, and the external auditor must be completely independent of the company and the members of the board of directors, and there must be no conflict of interest in his relationship with the company.

The external auditor of the company must attend the ordinary general assembly of the company where he is required to submit his annual report and answer any queries in this regard. The External Auditor shall be accountable to the shareholders and debtors of the Company for exercising due diligence in the conduct of the audit business. The External Auditor is also responsible for informing the Authority and any other regulatory body if the Board fails to take appropriate action on suspicions raised or identified by the External Auditors.

As a public shareholding company, DLALA changes the external auditor every three years as a maximum.

As part of the external auditors' mission, they are required to inform the Board of Directors in writing of any risks to which the Company is or is expected to be exposed, and of all irregularities as identified, as well as to send a copy of this notice to the Qatar Financial Markets Authority. In this case, the external auditor shall have the right to convene the General Assembly in accordance with the provisions of the law in this regard, provided that the Qatar Financial Markets Authority is informed accordingly.

Risk Management

The objective of risk management personalization is to identify key risks that may affect the company, assess the company's risk tolerance, develop risk identification mechanisms, and implement awareness programs and mitigation methods. This process includes at least the following steps:

- Identify risks in existing and new activities in the company. Determine the likelihood and impact of each risk according to the risk assessment criteria.
- Assess risk by comparing it to risk appetite to determine whether risk is acceptable or additional action is required.
- Determine how to mitigate or avoid risks (such as reducing risk, sharing with another party, or avoiding risk).
- Monitor risks and determine whether action plans have been properly implemented.

The following table presents the role of each of the departments towards risk:

At DLALA Holding, the relevant employees are responsible for identifying, aggregating, reporting, and communicating about risks, in addition to that, DLALA has an internal audit department that provides the Board of Directors and senior management with independent assurance about the effectiveness of risk management and control. The Internal Audit Department submits periodic reports to the Audit Committee according to the risks monitored.

The following table presents the role of each of the departments towards risk:

Internal Audit Department	• Monitor and report management's non-compliance about the company's internal policies and procedures to the Audit Committee. • Prepare and implement internal audit programs to monitor, evaluate, provide recommendations, and provide independent assurance on the design and operating effectiveness of controls to mitigate/address risks such as operational, strategic, and financial compliance.
Commitment	• Manage, monitor, and report compliance risks to the CEO and report to the Board of Directors. • Design internal control systems to monitor compliance with laws and regulations.
Legal Department	• Manage, control and report legal risks to the CEO and report to the Board of Directors.
Finance Department	• Manage, control and report financial risk to the CEO and report to the Board of Directors. • Design internal control systems to monitor compliance with IFRS and other relevant standards.

Disclosure and transparency

DLALA Holding Company confirms its commitment to all the principles of disclosure and transparency in all matters related to its financial position, financial performance, ownership, and governance system, in addition to being careful in submitting all financial statements and audit reports.

DLALA Holding Company owns more than (9000) shareholders, and the main shareholders are explained below according to the percentage of ownership.

No	Shareholder name	Percentage of ownership
1	Sheikh Khalid Hamad Al Thani	8.38%
2	Armed Forces Investment Portfolio	5.00%

In this report, the scientific and practical experiences of the Board of Directors and the main employees of the executive management were disclosed. DLALA also confirms that it has not entered any transactions with related parties that may conflict with the company's interest during the year 2022.

The procedures followed by the company regarding the implementation of the governance system were disclosed, in addition to the procedures for internal and external audit, risk management, the work of the board committees, and the most important recommendations made during the fiscal year 2022.

In compliance with the corporate governance code, DLALA discloses the number of cases filed against third parties or cases filed by third parties against DLALA or its subsidiaries for the year 2022.

No	Description	number of issues
1	Cases filed by DLALA and its subsidiaries against third parties	12
2	Cases filed against DLALA and its subsidiaries by third parties	13
Total		25

Several judgments were also issued in several cases during the year 2022, including:

- Issuance of a judgment in favor of DLALA Brokerage Company W.L.L. (one of the subsidiaries) in Civil Lawsuit No. 5638 for the year 2018 against one of the company's clients and the operative judgment obliging the defendant to pay to the plaintiff company the amount and capacity of (2,961,611) two million nine hundred sixty-one thousand six hundred and eleven Qatari Riyals, which is the remaining indebtedness owed by the plaintiff company, and obliging the defendant to pay the plaintiff company an amount of (300,000) Three Hundred Thousand Riyals as compensation for the damage and obliging him to pay the expenses, which was upheld by a judgment The appeal issued in Case No. 1169 of 2022 dated 28/12/2022, noting that the procedures for implementing the judgment have been taken.
- A judgment was issued in favor of DLALA Brokerage Company W.L.L. (one of the subsidiaries) by the Court of Cassation in Appeal No. (975/2022), according to which the decision of the Court of Appeal issued to impose a financial penalty on DLALA Brokerage Company in the amount of (ten million Qatari Riyals) upholding the decision of the Accounting Committee in violation No. 10 of 2020 was annulled, and the cassation ruled to refer the case to the Court of Appeal for a new decision by a panel formed of other judges, and it is worth noting that the company has made a financial allocation for this subject in the year 2020

A judgment was issued in favor of DLALA Real Estate Company W.L.L. (one of the subsidiaries) in Case No. 7270 of 2022 (Misdemeanors of Violation of Municipality against DLALA Real Estate Company), and the judge acquitted DLALA Real Estate Company of the charge against it and ordered the removal of the causes of the violation, which was upheld by Appeal Judgment No. 397 of 2023 issued on 23/01/2023.

Shareholders' and Stakeholders' Rights

DLALA Holding Company is committed to protect the rights of its shareholders and stakeholders to achieve better performance and results.in addition DLALA Company works to enhance the rights of shareholders and stakeholders in the company through several aspects, namely:

- First: the relationship with stakeholders.
- Second: the rights of non-shareholders stakeholders.
- Third: Shareholders' rights and participations in the meetings of the Assembly.
- Fourth: Distribution of profits and minority shareholders' rights.

First: Relationship with stakeholders:

DLALA Holding Company has adopted a special policy for dealing with stakeholders, as this policy regulates the full relationship between the company and the stakeholders and compensates them if their rights are violated, as well as the mechanism for settling complaints and disputes that may arise between the company and the stakeholders, also the company adopts the detailed policy available through the company's official website

www.DLALAholding.com

Second: Rights of Non-Shareholders

The company is committed to preserving and respecting the rights of stakeholders. Each stakeholder in the company is allowed to request information relevant to his interest. The Company is committed to providing the requested information in a timely manner and to the extent that it does not threaten the interests of others or harm its interests.

Third: Shareholders' Rights to Assembly meetings and their participation

The Articles of Association of the Company included the following:

- Shareholders who own 10% of the Company's capital shall have the right to request to convene the General Assembly. The shareholders representing at least 25% of the Company's capital shall be entitled to invite Extraordinary General Assembly to convene in accordance with the Commercial Companies Law No. 11 of 2015.
- The right to request the inclusion of any item on the agenda of the General Assembly. Article (49) of the Company's Articles of Association stipulates the right of shareholders to discuss the agenda items, ask questions, receive answers to them and take decisions.
- Article (45) of the Company's Articles of Association also stipulates the conditions of the prosecution in attendance and voting by proxy in accordance with the relevant law and regulations.

DLALA Holding also holds its assembly meetings in places in the heart of the capital, Doha, at appropriate times, also the company provides sufficient time to shareholders and insiders with all information related to the agenda to enable them to make their decisions, and the results of the general assembly are disclosed upon its completion to the competent authorities and are published on the company's website. A copy of the minutes of the meeting is deposited with the authority the moment it is approved by the competent authority namely the Ministry of Economy and Commerce.

Fourth: Distribution of profits and minority shareholders' rights

The company's articles of association stipulate the minimum percentage of net profits that must be distributed to shareholders from the net profits after deducting the legal reserve and the optional reserve, and the shareholder is entitled to his share of the profits in accordance with the regulations and controls in force at the Authority and the financial market in which the shares are listed, where the Board of Directors recommends the general assembly of the company to distribute the profits, and the percentage of dividends distributed varies from year to year according to the profits achieved by the company. In addition, the company has prepared a dividend policy.

The Company's Articles of Association stipulate that shareholder in general and minority shareholders in particular shall enjoy all the rights guaranteed to them, in accordance with the Commercial Companies Law in force, the Governance Code for Companies and Legal Entities Listed on the Main Market No. (5) of 2016 issued by the Qatar Financial Markets Authority and the Articles of Association.

It should be noted that the Company's internal policies and procedures include the following:

- The Respect of stakeholder rights as stakeholders participate in corporate governance arrangements so that they may obtain relevant, adequate, and reliable information in a timely and regular manner.
- The Board of Directors shall ensure that the Company's employees are treated in accordance with the principles of justice and fairness and without any discrimination of any kind based on race, sex, or religion.
- The Board is responsible for setting a remuneration and category policy that provides incentives for employees and the company's management to continue to perform in the best interests of the company. This policy must consider the long-term performance of the company.

The Board should adopt a mechanism that enables the Company's employees to report suspicious behavior to the Board, when such toxicity is unethical, illegal, or harmful to the Company. The Board shall ensure that the staff member to whom the Board is intended in this regard will be provided with confidentiality and protection against any harm or adverse reaction by other staff members or superiors.

Corporate Communication & Investor Relations

The Company maintains strong relations with shareholders and investors through its investor relations officers and liaising with the Company through open and transparent communication channels with them. Information is also disseminated to investors and related parties on a regular basis through the Qatar Stock Exchange website and various media outlets, in addition to the company's website, which provides data to shareholders on the company's governance, financial statements and other important information related to the disclosure of financial and other information, through the investor relations portal on the website. In addition, it holds periodic conferences via phone to inform investors of the company's reports and performance, mainly after the company publishes each of its annual, semi-annual, and quarterly reports.

The company adopts detailed corporate communication and investor relations policies available through the company's official website www.DLALAholding.com

Sustainability and Corporate Social

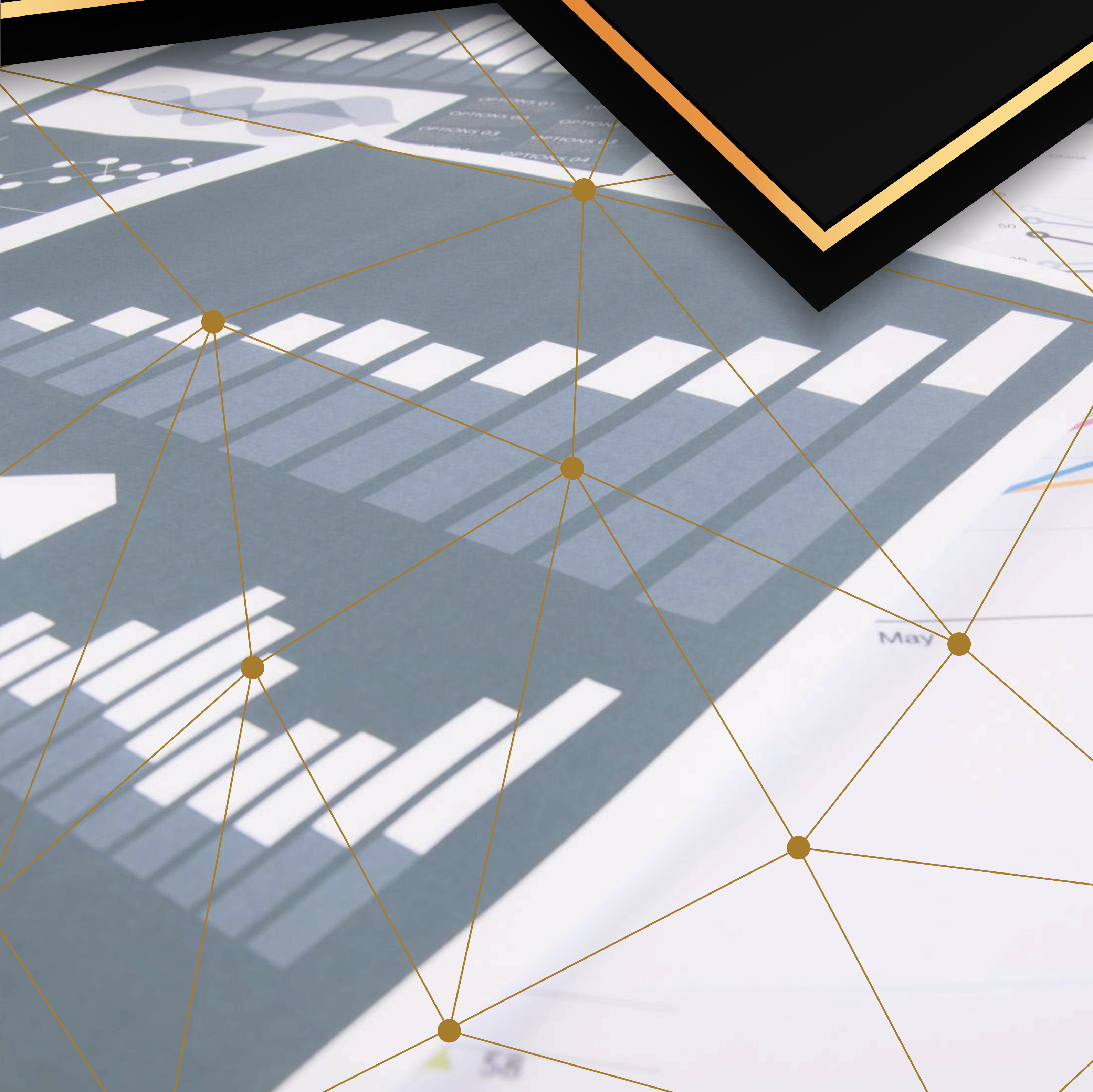
In the belief of the company in its role towards society and towards the State of Qatar, and our commitment to achieving Qatar Vision 2030, the company supported many social responsibility activities during the past year. Believing in showing the civilized image of the State of Qatar and its national vision 2030, DLALA Holding seeks to contribute to the strategy of the state that aims to train young leaders to take responsibility and contribute to building the country, and trains them on the best methods of trading in stocks and real estate and worked to be from the development system and progress in Qatar.

Corporate Social Responsibility

The Marketing and Public Relations Department is responsible for managing and coordinating the company's social responsibility initiatives and managing all events including conferences and speech events, and the Marketing and Public Relations Department requests the company's social responsibility budget and allocates it by the Board of Directors as part of the company's periodic annual business plan.

Yousef Abdulrahman Alkhulaifi
Chairman of the Board of Directors

Report of the Ministry of Economic Affairs on the internal regulation on the financial report



March 9, 2023

Management Assessment of Internal Control Over Financial Reporting

General

The Board of Directors (General Corporation) is responsible for establishing and maintainir adequate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA").

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reportir and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financi Reporting Standards (IFRS) ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intention errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financi statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they coul individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the company has established ICOFR with the aim of providing reasonable but not absolute assuranc against material misstatements. We have also assessed the design and implementation of the Group's ICOFR based on the criteria established i Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COS recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishir ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded; account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and Presentation and disclosure - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced;
- segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design and Implementation of Internal Control

For the financial year 2022, the Company has undertaken a formal evaluation of the adequacy of the design and implementation of the system of ICOFR considering:

The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and

The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design and implementation of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design and implementation of controls within various processes including Human Resources and Payroll, General Ledger and Financial Reporting, Investments and Accounting. The evaluation also included an assessment of the design, and implementation of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

As a result of the assessment of the design and implementation of ICOFR, management concluded that ICOFR is designed effectively but not implemented due to the significance of the material weaknesses noted in accordance with COSO framework as of December 31,2022. which include 23 weaknesses distributed among 9 weaknesses related to the level of the entity, 6 weaknesses related to information technology, 2 weaknesses related to human resources, 3 weaknesses related to GL, and finally 3 weaknesses related to activities in the management of investment activities. further based on the ineffective evaluation of design and implementation, the identified controls over the key business process of the group significant components, no further test of operating effectiveness was performed.

The management is taking corrective measures on the implementation and is still evaluating the operating effectiveness of ICOFR.

Please refer appendix for material weaknesses noted.

Mr. Farhoud Hadi Al-Hajri.

Chairman of Audit committee

Report of the Independent Reason

INDEPENDENT REASONABLE ASSURANCE REPORT

To the Shareholders of Dlala Brokerage and Investment Holding Company Q.P.S.C.

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Governance Code for Companies and Legal entities Listed on the Main Market (the “Code") issued by the Qatar Financial Markets Authority (the "QFMA"), we were engaged by the Board of Directors of Dlala Brokerage and Investment Holding Company Q.P.S.C. ("the Company") and its subsidiaries (together referred to as the “Group") to carry out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design and implementation of the Group's internal controls over financial reporting (the 'ICOFR') as at 31 December 2022 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors is responsible for fairly stating the Statement that is free from material misstatement and for the information contained therein.

The Statement, signed by the Group’ Chairman, which was shared with Mazars on 9 March 2023, is to be included in the annual report of the Group, includes the following:

- the Board of Directors' assessment of the suitability of design and implementation of the ICOFR;
- the description of the processes and internal controls over financial reporting for the processes of Human Resources and Payroll, General Ledger and Financial Reporting, Investments and Accounting, Entity Level Controls, Information Technology General Controls, and Disclosure Controls;
- designing and implementing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in Internal Control Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework, designing, implementing and testing controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group's ICOFR.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Independent Reasonable Assurance Report (Continued)

Responsibilities of the Board of Directors (continued)

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon including an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of Parts A and B of the Code of Ethics for Professional Accountants including independence, issued by the International Independence Standards Board of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement whether due to fraud or error.

Our engagement included assessing the appropriateness of the Group's ICOFR, and the suitability of the control objectives set out by the Group in preparing and presenting the Statement in the circumstances of the engagement. Furthermore, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed and implemented as of 31 December 2022 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management.
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level.
- Assessed the adequacy of the following:

- Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix RCM").
- Entity level controls documentation and related risks and controls as summarized in the RCM.
- Information Technology risks and controls as summarized in the RCM.
- Disclosure controls as summarized in the RCM.

- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing.
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary.
- Assessed the significance of any internal control weaknesses identified by management.
- Assessed the significance of any additional gaps identified through the procedures performed.

Independent Reasonable Assurance Report (Continued)

Our Responsibilities (continued)

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

We have made such enquiries of the auditors of significant components within the Group concerned and have reviewed their work to the extent necessary to form our conclusion. We remain solely responsible for our conclusion.

Other information

The other information comprises the information to be included in the Company's annual report. We have not obtained the other information to be included in the annual report which is expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

The Group's internal controls over financial reporting, because of their nature, may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

Historic evaluation of design and implementation of an internal control system may not be relevant to future periods if there is a change in conditions or that the degree of compliance with policies and procedures may deteriorate.

The Statement is prepared to meet the common needs of a broad ra nge of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

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The Statement is prepared to meet the common needs of a broad ra nge of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR were effectively designed but not implemented in accordance with the COSO framework as at 31 December 2022. Further, based on the ineffective results of the evaluation of the design and implementation of the identified controls over the key business processes of the Group's significant components, the Board of Directors' Statement fairly presents that no test of operating effectiveness was performed.

Independent Reasonable Assurance Report (Continued)

Emphasis of Matter

We draw attention to the statement, which describes how the Company has not assessed the operating effectiveness of ICOFR as at 31 December 2022 due the significance of the material weaknesses identified in the test of implementation. Our conclusion is not modified in this respect.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Group and QFMA for any purpose or in any context. Any party other than the shareholders of the Group and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Group and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Group and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (except for the Group's own internal purposes) or in part, without our prior written consent.

Ahmed Tawfik Nassim

Auditor's Registration No. 66

QFMA Registration No. 1201911

09 March 2023

Doha, State of Qatar

Attachment: Management Statement on ICOFR

Declaration of Independent Limitations

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Dlala Brokerage and Investment Holding Company Q.P.S.C.

Report on Compliance with the Qatar Financial Markets Authority's Law and Regulations and Other Relevant Legislation including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

Introduction

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal entities Listed on the Main Market ("the Code") Issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Dlala Brokerage and Investment Holding Company Q.P.S.C. ("the Company") to carry out a limited assurance engagement over Board of Director's assessment whether the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation and compliance with the Code as at 31 December 2022.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for preparing the corporate governance report that covers at the minimum the requirements of Article 4 of the Code. The Board of Directors provided its 'Report on compliance with QFMA's law and regulations and other relevant legislation including the Code' (the 'Statement'), which is shared with Mazars on 9 March 2022, which is to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to issue a report thereon including an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board, that standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, in accordance with the Code, as the basis for our limited assurance conclusion.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants, *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

Our Responsibilities (continued)

The procedures selected depend on our understanding of the Company's compliance with the Code and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Company's process for compliance with QFMA's law and regulations and other relevant legislation, the Company's compliance with the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design assurance procedures that are appropriate in the circumstances.

Our engagement included assessing the appropriateness of the Company's process for compliance with QFMA's law and regulations and other relevant legislation and the Company's compliance with the Code, and evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the Code.

The procedures performed over the Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation including the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the Code; and
- Conducting additional procedures as deemed necessary to validate Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The other information comprises the information to be included the Company's annual corporate governance report which are expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

Characteristics and Limitations of the Statement (continued)

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

Criteria

The criteria for this engagement is an assessment of the process for compliance with QFMA's law and regulations and other relevant legislation and compliance with the provisions of the Code.

Qualified Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the report of the Board of Directors on compliance with QFMA's requirements does not present fairly, in all material respects, the company's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2022.

Emphasis of matter

We draw attention to Part A of the statement, which describes how the company is not in compliance with articles No. 4,8,10 and 20 Of the code. Our conclusion is not modified in respect of this matter.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

Ahmed Tawfik Nassim
Auditor's Registration No. 66
QFMA Registration No. 1201911
09 March 2023
Doha, State of Qatar

Attachment: Management Statement on compliance with QFMA's law and regulation and other relevant legislation including the Code