MEEZA QSTP LLC
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

MEEZA QSTP LLC

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
MEEZA QSTP LLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MEEZA QSTP LLC ("the Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021, and its financial activities and its cash flows for the year then ended in accordance with International Financial Reporting 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 the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, 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.

Doha – Qatar
April 25, 2022

For **Deloitte & Touche**
Qatar Branch

M. Salha

Midhat Salha
Partner
License No. 257

MEEZA QSTP LLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Notes	**December 31, 2021**	December 31, 2020
		QR'000	QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**504,852**	342,622
Right-of-use assets	6	**137,138**	137,814
Other non-current assets	7	**249**	2,803
Total non-current assets		**642,239**	483,239
Current assets			
Prepayments and other assets	8	**37,439**	75,882
Due from related parties	18	**142,021**	111,662
Trade and other receivables	9	**109,178**	44,311
Cash and bank balances	10	**235,695**	266,021
Total current assets		**524,333**	497,876
Total assets		**1,166,572**	981,115
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**200**	200
Statutory reserve	12	**3,302**	3,302
Advances from shareholders	13	**749,800**	749,800
Accumulated losses		**(60,246)**	(104,268)
Total equity		**693,056**	649,034
Non-current liabilities			
Employees' end of service benefits	14	**9,666**	10,125
Deferred revenue – long term	19	**19,308**	8,799
Lease liabilities	15	**139,552**	139,305
Borrowings	16	**148,406**	60,165
Total non-current liabilities		**316,932**	218,394
Current liabilities			
Deferred revenue – short term	19	**27,947**	14,212
Lease liabilities	15	**4,472**	3,284
Trade and other payables	17	**124,165**	96,191
Total current liabilities		**156,584**	113,687
Total liabilities		**473,516**	332,081
Total equity and liabilities		**1,166,572**	981,115

Chairman	Chief Financial Officer
Sheikh Hamad Bin Abdulla Bin Jassim Al-Thani	James Corby

DELOITTE & TOUCHE
Doha - Qatar

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

25 APR 2022

Signed for Identification Purposes Only

MEEZA QSTP LLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021

	Notes	2021	2020
		QR'000	QR'000
Revenue	19	328,430	284,839
Cost of sales	20	(240,885)	(211,532)
Gross profit		87,545	73,307
General and administrative expenses	21	(35,183)	(34,057)
Other (expense)/income		(376)	913
Finance income		2,187	3,477
Interest expense on lease liabilities	15	(8,070)	(7,992)
Finance costs	16	(2,081)	(861)
Profit for the year		44,022	34,787
Other comprehensive income		--	--
Total comprehensive income for the year		44,022	34,787

DELOITTE & TOUCHE
Doha - Qatar
25 APR 2022
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MEEZA QSTP LLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

	Share capital	Statutory reserve	Advances from shareholders	Accumulated losses	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2020	200	3,302	749,800	(106,055)	647,247
Total comprehensive income for the year	--	--	--	34,787	34,787
Dividends during the year	--	--	--	(33,000)	(33,000)
Balance at December 31, 2020	200	3,302	749,800	(104,268)	649,034
Total comprehensive income for the year	--	--	--	44,022	44,022
Balance at December 31, 2021	**200**	**3,302**	**749,800**	**(60,246)**	**693,056**

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Doha-Qatar
25 APR 2022
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MEEZA QSTP LLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	Notes	**2021**	2020
		QR'000	QR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**44,022**	34,787
Adjustments for:			
Depreciation of property, plant and equipment	5	**45,951**	57,518
Depreciation of right-of-use assets	6	**6,752**	7,181
Write off of property, plant and equipment	5	--	730
Write off of trade receivables	9	--	3,200
Finance costs		**2,081**	861
Finance income		**(2,187)**	(3,477)
Interest expense on lease liabilities	15	**8,070**	7,992
Loss/(Recovery) allowance on trade receivables	9	**3,957**	(2,215)
Recovery allowance on due from related parties	18	**(690)**	(1,226)
Provision for employees' end of service benefits	14	**2,571**	3,092
		110,527	108,443
Movements in working capital			
Trade and other receivables		**(68,824)**	25,636
Prepayments and other assets		**38,443**	(44,796)
Contract costs		--	5,142
Other non-current assets		**2,554**	(483)
Due from related parties		**(29,669)**	31,139
Other liabilities		--	(1,289)
Trade and other payables		**27,974**	18,410
Deferred revenue		**24,244**	(25,520)
Net cash generated by operations		**105,249**	116,682
Finance costs paid		**(2,081)**	(861)
Payment for employees' end of service benefits	14	**(3,030)**	(3,173)
Net cash generated by operating activities		**100,138**	112,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	5	**(208,181)**	(157,658)
Finance income received		**2,187**	3,477
Net cash used in investing activities		**(205,994)**	(154,181)
CASH FLOWS FROM FINANCING ACTIVITIES (i)			
Dividends paid		--	(33,000)
Proceeds from borrowings	16	**88,241**	60,165
Principal repayment of lease liabilities	15	**(12,711)**	(12,858)
Net cash from financing activities		**75,530**	14,307
Net decrease in cash and cash equivalents		**(30,326)**	(27,226)
Cash and cash equivalents at the beginning of the year		**266,021**	293,247
Cash and cash equivalents at the end of the year	10	**235,695**	266,021

(i) Notes to cash flow statement:

During 2021, the Group have addition to right-of-use assets and lease liabilities amounting to QR 6.08 million (2020: QR 23.02 million) (Note 6). This transaction is considered as noncash activity and are not reflected in the consolidated statement of cash flows.

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

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Doha - Qatar
25 APR 2022
Signed for Identification
Purposes Only

1. INCORPORATION AND ACTIVITIES

MEEZA QSTP LLC (the "Company") is registered as a limited liability company under the Qatar Science and Technology Park (QSTP) Free Zone Regulations with license number 20080309-1 pursuant to law number 36 of 2005.

The Company is engaged in Information Technology services. The address of the Company's registered office is Qatar Science and Technology Park Free Zone, Level 1, Tech 2, Gharafa Street, P.O. Box 892, Doha, State of Qatar.

During the year, the Company's fully owned subsidiary, MEEZA Information Technology W.L.L. (the "Subsidiary") partially started its commercial operations. The Subsidiary's business activities include software designing and programming, trading in computer network equipment, designing electronic sites, information technology consultancy, storage of data and documents, trading in computer networking devices and trading via internet.

The Company and its subsidiary (together "the Group") operate mainly in the State of Qatar. These financial statements represent the first set of consolidated financial statements prepared by the Group.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 New and amended IFRS Standards and interpretations that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Impact of the initial application of COVID-19-Related Rent Concessions beyond June 30, 2021—Amendment to IFRS 16 On May 28, 2020, the IASB issued Covid 19 – related rent concessions – amendments to IFRS 16 Leases, which provides relief to lessees from applying IFRS 16 on lease modification accounting for rent concessions arising as a direct consequence of the Covid 19 pandemic by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. On March 31, 2021, the Board published Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) that extends, by one year until June 30, 2022, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after April 1, 2021, with an early application permitted. In the current financial year, the Group has applied the amendment to IFRS 16 in advance of its effective date.	Beginning on or after June 1, 2020

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting.

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IFRS 3 – Reference to the Conceptual Framework	January 1, 2022

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	January 1, 2022 with early application permitted
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	
The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022. Early application permitted.
The Annual Improvements include amendments to four Standards.	
IFRS 1 First-time Adoption of International Financial Reporting Standards	
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition on financial liabilities The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. *IFRS 16 Leases* The amendment removes the illustration of the reimbursement of leasehold improvements. *IAS 41 Agriculture* The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use	January 1, 2022. Early application permitted.

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the consolidated statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the consolidated statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	January 1, 2023

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 8 – Definition of Accounting Estimates	January 1, 2023

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

– Right-of-use assets and lease liabilities

– Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the consolidated statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	January 1, 2023. Early application is permitted.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	Available for optional adoption/ effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the applicable provisions of the Company's Article of Association and the Qatar Science and Technology Park regulations.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis. These consolidated financial statements are presented in Qatari Riyals (QR), which is the Group's functional and presentation currency. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary) made up to reporting date each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries, if any, are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised 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 the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation expense on fixed assets with finite lives is recognised in the consolidated statement of income on a straight-line basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Capital work in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Impairment of tangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Employees' end of service benefits

A provision is made for employees' end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Classification of financial assets

(i) Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in consolidated statement of profit or loss and is included in the "finance income" line item.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables, unbilled revenue, due from related parties and bank balances. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, due from related parties and unbilled revenue. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

<u>(i) Significant increase in credit risk</u>

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90-days past due for trade receivables and 365-days past due for due from related parties, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The Group does not have any financial liability measured at FVTPL.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the consolidated statement of profit or loss for financial liabilities that are not part of a designated hedging relationship.

Revenue recognition

Rendering of services

The Group principally obtains revenue from selling the following IT related services:

- Network management and maintenance services
- Data centre services
- Service desk and field services
- Network infrastructure and installation services
- Other ad hoc IT consultancy services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognize revenue when it transfers control over goods and services to its customer.

Revenue from network management and maintenance services and data centre services are based on a fixed monthly fee and recognised upon the performance obligation is satisfied over time. The Group uses output method and recognise the revenue on straight line basis over the term of the contract, since output (number of months over the term of the contract) are consumed evenly throughout the term of the contract.

Revenues for other bespoke IT service agreements are recognised at a point in time upon control of the goods or service is transferred to the customer.

Revenues associated with services not yet performed are deferred ("deferred revenue") and recognised when control over the goods or services is transferred to the customer.

Non-refundable upfront fee

The Group charge non-refundable fees associated to projects charged to customers. These fees are recognised as revenue at the time the related services are provided to the customers over the term of the contract.

Interest income

Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discount estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "General and administrative expenses" in the consolidated statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group used this practical expedient.

Foreign exchange difference

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in this financial statements:

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

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

Capitalisation of costs

Management determines whether the Group will recognise an asset from the costs incurred to fulfil a contract and costs incurred to obtain a contract if the costs meet all the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
b) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
c) the costs are expected to be recovered.

Such asset will be amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Judgment in determining the timing of satisfaction of performance obligations

The Group generally recognise revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receives and consumes the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these goods and services as well as the nature of its performance.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.1 Critical judgments in applying accounting policies (continued)

Judgment in determining the timing of satisfaction of performance obligations

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

In making its judgement, the Management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group has transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

Significant judgements are made by management when concluding whether the Group is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Group. The assessment requires an analysis of key indicators, specifically whether the Group:

- carries any inventory risk;
- has the primary responsibility for providing the goods or services to the customer;
- has the latitude to establish pricing; and
- bears the customer's credit risk.

These indicators are used to determine whether the Group has exposure to the significant risks and rewards associated with the sale of goods or rendering of services. For example, any sale relating to inventory that is held by the Group, not on consignment, is a strong indicator that the Group is acting as a principal.

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 managed together to achieve a particular business objective. This assessment includes judgement 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 these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income 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 the 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.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.1 Critical judgments in applying accounting policies (continued)

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Judgment in identifying whether a contract includes a lease

The Group has entered into a contracts with lessors for the lease of land, data centre space and office space.

Management has assessed whether or not the Group has contracted for the rights to substantially all of the lease of land and data centre space and office space and whether the contracts contains a lease.

Management assessed that the Group have the right to obtain substantially all of the economic benefits for the use of the assets. As stated, the Group has concluded that the contract contains a lease.

Determining the lease term

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease/at initial application date for existing lease contract as of January 1, 2019.

Impairment of tangible assets and useful lives

The Group's management tests annually whether there is an indication that tangible assets (including capital work in progress) have suffered impairment in accordance with accounting policies stated in Note 3.

Estimated useful lives of property, plant and equipment

The costs of items of property, plant and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

During 2020, the Group conducted a review of the expected Estimated Useful Lives ("EUL") of its assets. The change in the accounting estimate for the EUL has resulted in a decrease in the depreciation charge for the year by QR 13.05 million for the year ended December 31, 2020.

Management has not made estimates of residual values for any items of property, plant and equipment at the end of their useful lives as these have been deemed to be insignificant.

Calculation of loss allowance

An estimate of the collectible amount of trade receivables and due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time the amount has been due.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2 Key sources of estimation uncertainty (continued)

Calculation of loss allowance (continued)

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default 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.

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms. Management assessed that there is no impairment on right-of-use assets as of reporting date.

5. PROPERTY, PLANT AND EQUIPMENT

	Data centre and network assets	Buildings and leasehold improvements	Office furniture & other equipment	Assets under construction	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Cost:					
At January 1, 2020	932,190	2,070	9,204	17,407	960,871
Additions	4,863	--	857	151,938	157,658
Transfer	30,764	--	--	(30,764)	--
Disposals	(9,637)	--	--	--	(9,637)
At January 1, 2021	958,180	2,070	10,061	138,581	1,108,892
Additions	85	--	22	208,074	208,181
Transfers	338,266	--	77	(338,343)	--
Reclassification	649	--	(649)	--	--
At December 31, 2021	**1,297,180**	**2,070**	**9,511**	**8,312**	**1,317,073**
Accumulated depreciation:					
At January 1, 2020	706,892	1,924	8,843	--	717,659
Disposal	(8,907)	--	--	--	(8,907)
Depreciation expense	57,271	36	211	--	57,518
At January 1, 2021	755,256	1,960	9,054	--	766,270
Depreciation expense	45,670	36	245	--	45,951
At December 31, 2021	**800,926**	**1,996**	**9,299**	**--**	**812,221**
Carrying amount:					
At December 31, 2021	**496,254**	**74**	**212**	**8,312**	**504,852**
At December 31, 2020	202,924	110	1,007	138,581	342,622
Depreciation rate 2021	**4% - 33%**	**5% - 20%**	**20%**		
Depreciation rate 2020	4% - 33%	5% - 20%	20%		

Depreciation expense of QR 45.67 million (2020: QR 57.27 million) has been charged in cost of sales, QR 0.28 million (2020: QR 0.25 million) in general and administrative expenses. The borrowing cost capitalized during the year amounted to QR. 3.61 million (2020: Nil). The capitalization rate used to determine the amount of borrowing costs for capitalization is based on the borrowings rate (Note 16).

6. RIGHT-OF-USE ASSETS

Group as a Lessee

The Group leases several assets including land and data centre building, and office space. The average lease term for land ranges from 20 to 30 years while the office space is for 7 years.

The Group's obligations are secured by the lessor's title to the leased assets for such leases.

	Right-of-use assets			
	Land and data centre building	**Office space**	**Total**	**Lease liabilities**
	QR'000	**QR'000**	**QR'000**	**QR'000**
January 1, 2020	118,123	3,856	121,979	(124,439)
Additions/modifications	21,292	1,724	23,016	(23,016)
Depreciation expense (Notes 20, 21)	(5,351)	(1,830)	(7,181)	--
Finance costs	--	--	--	(7,992)
Principal payment	--	--	--	12,858
December 31, 2020	134,064	3,750	137,814	(142,589)
Additions	6,076	--	6,076	(6,076)
Depreciation expense (Notes 20, 21)	(6,203)	(549)	(6,752)	--
Finance costs	--	--	--	(8,070)
Principal payment	--	--	--	12,711
December 31, 2021	**133,937**	**3,201**	**137,138**	**(144,024)**

<u>Amounts recognised in consolidated statement of profit and loss:</u>

	2021	2020
	QR'000	QR'000
Depreciation of right-of-use assets	**6,752**	7,181
Interest expense on lease liabilities	**8,070**	7,992
Expense relating to short-term leases	**1,467**	1,245
	16,289	16,418

As at December 31, 2021, the Group is committed to QR 0.37 million (2020: QR 0.43 million) for short-term leases.

7. OTHER NON-CURRENT ASSETS

	2021	2020
	QR'000	QR'000
Security deposit	**249**	243
Retention receivable (i)	**--**	1,760
Vehicle loan advances	**--**	710
Furniture grants	**--**	90
	249	2,803

(i) This balance pertains to retentions that were billed to customer in 2021.

8. PREPAYMENTS AND OTHER ASSETS

	2021	2020
	QR'000	QR'000
Prepayments	**24,087**	10,789
Advance to suppliers (i)	**4,570**	57,600
Other current assets	**8,782**	7,493
	37,439	75,882

(i) The 2020 balance pertains to the advance payments made to the vendors for the cost of construction, internal modification and extension of data centres.

9. TRADE AND OTHER RECEIVABLES

	2021	2020
	QR'000	QR'000
Trade receivables	**108,771**	29,812
Less: Loss allowance	**(5,525)**	(1,568)
Trade receivables – net	**103,246**	28,244
Unbilled revenue	**5,932**	16,067
	109,178	44,311

The Group measures the loss allowance for trade receivables and unbilled revenue at an amount equal to lifetime ECL. The expected credit losses on trade receivables and unbilled revenue are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customer's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. In 2021, additional specific provisions were provided for certain customers. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at December 31, the ageing of account receivables is as follows:

Expected credit loss rate	**--%**	**6%**	**7%**	**49%**	**5%**
December 31, 2021	**Less than 90 Days**	**91 to 180 Days**	**181 to 365 days**	**More than 365 days**	**Total**
	QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Estimated total gross carrying amount at default	**70,827**	**19,578**	**11,009**	**7,357**	**108,771**
Lifetime ECL	**(4)**	**(1,127)**	**(787)**	**(3,607)**	**(5,525)**
Net receivable	**70,823**	**18,451**	**10,222**	**3,750**	**103,246**

Expected credit loss rate	5%	5%	5%	5%	5%
December 31, 2020	Less than 90 Days	91 to 180 Days	181 to 365 days	More than 365 days	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Estimated total gross carrying amount at default	9,383	4,372	4,994	11,063	29,812
Lifetime ECL	(493)	(230)	(263)	(582)	(1,568)
Net receivable	8,890	4,142	4,731	10,481	28,244

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9, all collectively assessed:

	2021	2020
	QR'000	QR'000
Balance as at January 1,	**1,568**	6,983
Written off	**--**	(3,200)
Provision/(recovery) during the year	**3,957**	(2,215)
Balance as at December 31,	**5,525**	1,568

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2021	2020
	QR'000	QR'000
Cash on hand	**5**	5
Bank balances	**55,504**	110,874
Time deposits	**180,186**	155,142
Cash and cash equivalents	**235,695**	266,021

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, Management estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the Management has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

11. SHARE CAPITAL

	2021	2020
	QR'000	QR'000
Authorised, issued and fully paid		
200 shares of nominal value 1,000 QR each	**200**	200

12. STATUTORY RESERVE

As required by the Company's Articles of Association, 10% of the profit for the year is to be transferred to the statutory reserve until the reserve reaches a minimum of 50% of the paid up share capital. As at December 31, 2021, the statutory reserve amounted QR 3.30 million (2020: QR 3.30 million), representing 1,651% of the paid up share capital and therefore no additional reserve provided during the year. This reserve is not available for distribution.

13. ADVANCES FROM SHAREHOLDERS

This represents funds received from the shareholders to fund the working capital requirements of the Group. These funds are of a non-current in nature, interest free, unsecured and subordinated to all the liabilities of the Group. These advances will be converted to share capital after the necessary formalities for the increase in share capital are complied with.

Main shareholders of the Group have contributed the following:

	2021	2020
	QR'000	QR'000
Qatar Foundation for Education, Science and Community Development (previously "Qatar Foundation Endowment Fund")	**599,840**	599,840
Ooredoo Q.P.S.C.	**149,960**	149,960
	749,800	749,800

14. EMPLOYEES' END OF SERVICE BENEFITS

Movement in the employees' end of service benefits were as follows:

	2021	2020
	QR'000	QR'000
Balance as at January 1,	**10,125**	10,206
Expense for the year	**2,571**	3,092
Payments during the year	**(3,030)**	(3,173)
Balance as at December 31,	**9,666**	10,125

15. LEASE LIABILITIES

	2021	2020
	QR'000	QR'000
Balance as at January 1,	**142,589**	124,439
Additions/modifications	**6,076**	23,016
Accretion of finance cost	**8,070**	7,992
Principal payment	**(12,711)**	(12,858)
Balance as at December 31,	**144,024**	142,589

	2021	2020
	QR'000	QR'000
Maturity analysis		
Not later than 1 year	**4,472**	3,284
Later than 1 year and not later than 5 years	**19,611**	15,062
Later than 5 years	**119,941**	124,243
	144,024	142,589

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group's treasury function.

16. BORROWINGS

	2021	2020
	QR'000	QR'000
Borrowings	**148,406**	60,165

The Group entered into a Facility Agreement with Dukhan Bank for QR 150 million on December 10, 2020 ("the facility") at Qatar Market Lending Rate (QMRL) subject to a minimum of 3.5% per annum, payable quarterly. The facility is repayable in 31 equal quarterly instalments of QR 3.39 million starting March 2023 and one final bullet payment of QR 45 million (30% of facility amount) in December 2030. An amount of QR 88.24 million (2020: QR 60.17 million) was drawdown on the facility during the year. The facility is secured by the assignment of the full contract values of each of MV2 & MV4 Colocation and Data Centre Leases with Microsoft QSTP LLC ("Microsoft") and Ministry of Communications and Information Technology ("MCIT") (previously "Ministry of Transport and Communications") favouring Dukhan Bank.

Finance costs incurred during the year amounted to QR 4.95 million (2020: Nil). Amount recognized in the consolidated statement of profit or loss is QR 1.34 million (2020: Nil) and the remaining has been capitalized as cost of property, plant and equipment (Note 5).

17. TRADE AND OTHER PAYABLES

	2021	2020
	QR'000	QR'000
Trade payables	**27,416**	39,902
Accrued expenses (i)	**78,657**	48,954
Retention payable	**10,632**	7,272
Advance from customers	**7,208**	--
Other current liabilities	**252**	63
	124,165	96,191

(i) As at December 31, 2021, the balance includes accrued assets of QR 20.03 million (2020: QR 5.57 million).

18. RELATED PARTY DISCLOSURES

Related parties, as defined in International Accounting Standard 24: *Related Party Disclosures*, include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

a) Trading transactions

The following are the balances arising on transactions with related parties:

	2021	2020
	QR'000	QR'000
Sale of goods and services:		
Shareholders	**69,496**	90,544
Other affiliated companies	**73,177**	75,570
	142,673	166,114

*b) Balances arising from sales of goods/service**s***

The following are the balances arising on transactions with related parties:

	2021	2020
	QR'000	QR'000
Due from related parties: (Refer Note below)		
Shareholders	**90,039**	80,235
Other affiliates	**60,754**	40,889
	150,793	121,124
Provision for loss allowance	**(8,772)**	(9,462)
At December 31	**142,021**	111,662

The due from related parties arise mainly from sale of goods and services transactions. The receivables are unsecured in nature and earn no interest.

The Group measures the loss allowance for due form related parties at an amount equal to lifetime ECL. The expected credit losses on due from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the simplified approach set out in IFRS 9 all collectively assessed:

	2021	2020
	QR'000	QR'000
Balance as at January 1	**9,462**	10,688
Recovery during the year	**(690)**	(1,226)
Balance as at December 31	**8,772**	9,462

18. RELATED PARTY DISCLOSURES (CONTINUED)

c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2021	2020
	QR'000	QR'000
Short-term benefits	**10,914**	11,600
Long-term benefits	**--**	64
	10,914	11,664

19. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major revenue streams.

	2021	2020
	QR'000	QR'000
Revenue – at a point of time:		
Master system integrator services	**686**	5,064
Solutions services	**81,579**	40,561
Revenue – over time:		
Data centre and managed services	**198,187**	175,520
Workplace services	**25,244**	47,839
Master system integrator services	**14,579**	15,748
Cloud services	**8,155**	107
	328,430	284,839

The 2021 balance includes revenue from the Subsidiary amounting QR 3.70 million.

The current portion of the unearned revenue referred as "deferred revenue" in the consolidated statement of financial position amounting to QR 27.95 million (2020: QR 14.21 million) is expected to be recognised as revenue during 2022. The non-current portion of deferred revenue is expected to be recognized as revenue at least after 12-months from the reporting date.

The unsatisfied performance obligation relating to the contract between Microsoft and MCIT to provide Colocation and Data Centre Services amounted to QR 732.67 million (2020: QR 763.26 million) as at reporting date. Unsatisfied performance obligation for rest of the open contracts amounted to QR 627.97 million (2020: QR 705.58 million).

20. COST OF SALES

	2021	2020
	QR'000	QR'000
Software, hardware and license cost	**67,783**	42,203
Outsourcing and third party cost	**58,466**	51,683
Depreciation of property, plant and equipment (i) (Note 5)	**45,670**	54,168
Salaries, wages and other benefits	**38,031**	44,873
Data centre management costs	**24,613**	12,965
Depreciation of right-of-use assets (Note 6)	**6,203**	5,351
Others	**119**	289
	240,885	211,532

(i) In 2020, a reversal of long outstanding accruals was made for QR 3.10 million with one of the Group's vendors which has been fully depreciated in prior years.

The 2021 cost of sales include cost from the Subsidiary amounting QR 2.22 million.

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
	QR'000	QR'000
Staff costs and allowances	**22,978**	25,295
Loss/(Recovery) allowance (Notes 9 and 18)	**3,267**	(3,441)
Professional fees	**3,024**	3,576
Rent	**1,467**	1,245
Insurance	**844**	954
Directors' remuneration	**567**	906
Depreciation of right-of-use assets (Note 6)	**549**	1,830
Office expenses	**546**	1,051
Depreciation of property, plant and equipment (Note 5)	**281**	247
Marketing costs	**229**	62
Others	**1,431**	2,332
	35,183	34,057

The 2021 general and administrative expenses include cost from the Subsidiary amounting QR 0.28 million.

22. COMMITMENTS AND CONTINGENT LIABILITIES

	2021	2020
	QR'000	QR'000
Performance guarantee	**61,975**	69,617
Tender and other guarantees	**65,533**	18,793

23. COMMITMENTS UNDER OPERATING LEASES

The Group has entered into a non-cancellable short-term lease agreement for the lease of the premises for office space. The rental costs in respect of these properties are accounted for as operating leases.

The future lease commitments in respect of the above lease agreements are as follows:

	2021	2020
	QR'000	QR'000
Not later than 1 year	**365**	434

24. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument.

(a) Fair value measurements

Financial assets consist of bank balances, unbilled revenue, due from related parties and trade receivable. Financial liabilities consist of trade payables, lease liabilities and borrowings.

Management believes that the fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments or are regularly repriced at market rates.

(b) Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At January 1, 2021	**Financing cash flows**	**Non-cash changes**	**At December 31, 2021**
	QR'000	**QR'000**	**QR'000**	**QR'000**
Lease liabilities	**142,589**	**(12,711)**	**14,146**	**144,024**
Borrowings	**60,165**	**88,241**	**--**	**148,406**
	202,754	**75,530**	**14,146**	**292,430**

	At January 1, 2020	Financing cash flows	Non-cash changes	At December 31, 2020
	QR'000	QR'000	QR'000	QR'000
Dividend paid	--	(33,000)	--	(33,000)
Lease liabilities	124,439	(12,858)	31,008	142,589
Borrowings	--	60,165	--	60,165
	124,439	14,307	31,008	169,754

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to the shareholders.

The capital structure of the Group comprises of capital, reserves, advances from shareholders and accumulated losses. The Group reviews the capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with capital. The Shareholders has confirmed its support to the Group should the capital proves to be insufficiently funded.

26. FINANCIAL RISK MANAGEMENT

Market risk management

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 instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency risks and interest rate risks.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by entering the transactions substantially in Qatari Riyal (QR) and United States Dollar (USD), which is pegged to Qatari riyal.

Interest rate risk management

The Group's exposure to interest rate risk is very limited as it borrows and deposits funds at fixed interest rates. This loan is carried at floating rate however the interest incurred during 2021 is QR. 1.34 million.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at December 31, 2021, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default.

The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk management (continued)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and considering the historical default experience and the current credit ratings of the banks, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	When there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	When there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that there is a severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets by credit risk rating grades:

December 31, 2021	**Note**	**12-month or lifetime ECL**	**Gross carrying**	**Loss allowance**	**Net carrying Amount**
			QR '000	**QR '000**	**QR '000**
Bank balances	10	12-month ECL	**235,695**	**--**	**235,695**
Trade receivables	9	Lifetime ECL	**108,771**	**(5,525)**	**103,246**
Unbilled revenue	9	Lifetime ECL	**5,932**	**--**	**5,932**
Due from related parties	18	Lifetime ECL	**150,793**	**(8,772)**	**142,021**

December 31, 2020	Note	12-month or lifetime ECL	Gross carrying	Loss allowance	Net carrying Amount
			QR '000	QR '000	QR '000
Bank balances	10	12-month ECL	266,021	--	266,021
Trade receivables	9	Lifetime ECL	29,812	(1,568)	28,244
Unbilled revenue	9	Lifetime ECL	16,067	--	16,067
Due from related parties	18	Lifetime ECL	121,124	(9,462)	111,662

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At December 31, 2021	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Trade payables	**27,416**	**--**	**--**	**--**	**27,416**
Lease liabilities	**4,472**	**4,700**	**14,911**	**119,941**	**144,024**
Borrowings	**--**	**13,548**	**40,644**	**94,214**	**148,406**
	31,888	**18,248**	**55,555**	**214,155**	**319,846**

At December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Trade payables	39,902	--	--	--	39,902
Lease liabilities	3,284	7,125	7,937	124,243	142,589
Borrowings	--	--	37,258	22,907	60,165
	43,186	7,125	45,195	147,150	242,656

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At December 31, 2021	**Less than 1 year**	**Between 1 and 2 years**
	QR'000	**QR'000**
Trade and other receivables	**109,178**	**--**
Due from related parties	**142,021**	**--**
	251,199	**--**

At December 31, 2020	Less than 1 year	Between 1 and 2 years
	QR'000	QR'000
Trade and other receivables	44,311	--
Due from related parties	111,662	--
	155,973	--

27. IMPACT OF COVID-19

The outbreak of Novel Coronavirus continues to disrupt business operations and economic activity globally. The extent and duration of the impacts depend highly on future events that cannot be accurately predicted. As the situation is rapidly evolving, the impact on the Group's activities and operations is uncertain and accordingly management estimates in the measurement of amounts reported in these financial statements remain sensitive to market fluctuations.

Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing a material adjustments to the financial statements:

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2020. As a result, these financial statements have been appropriately prepared on a going concern basis.

The Group will continue to closely monitor its impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its 'operations and financial performance in 2022.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on April 25, 2022.