

**MEEZA QSTP LLC
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2023**

MEEZA QSTP LLC**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the six-month period ended June 30, 2023

INDEX	Page
Independent auditor's review report	--
Interim condensed consolidated statement of financial position	1
Interim condensed consolidated statement of profit or loss and other comprehensive income	2
Interim condensed consolidated statement of changes in equity	3
Interim condensed consolidated statement of cash flows	4
Notes to the interim condensed consolidated financial information	5 – 15

QR: 80846

RN: 104/SM/FY2024

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the Board of Directors of
MEEZA QSTP LLC**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of MEEZA QSTP LLC (the "Company") and its subsidiary (together the "Group") as at June 30, 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial information, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim financial reporting" as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB.

Doha, State of Qatar
July 27, 2023

For Deloitte & Touche
Qatar Branch



Midhat Salha

Partner

License No. 257

QFMA Auditor License No. 120156

MEEZA QSTP LLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Notes	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	492,295	508,493
Right-of-use assets	5	146,656	151,941
Other non-current assets		10,242	12,102
Total non-current assets		649,193	672,536
Current assets			
Prepayments and other assets	6	42,217	33,037
Due from related parties	16	80,857	110,390
Trade and other receivables	7	171,647	132,183
Cash and bank balances	8	262,908	203,405
Total current assets		557,629	479,015
Total assets		1,206,822	1,151,551
EQUITY AND LIABILITIES			
Equity			
Share capital	9	648,980	648,980
Statutory reserve	10	8,515	8,515
Retained earnings		32,969	21,687
Total equity		690,464	679,182
Non-current liabilities			
Employees' end of service benefits	11	11,932	10,821
Contract liability – long term	17	24,861	27,205
Lease liabilities	12	155,322	155,791
Borrowings	13	128,155	134,858
Total non-current liabilities		320,270	328,675
Current liabilities			
Contract liability – short term	17	2,307	3,159
Lease liabilities	12	9,116	8,283
Borrowings	13	13,548	13,548
Trade and other payables	14	171,117	118,704
Total current liabilities		196,088	143,694
Total liabilities		516,358	472,369
Total equity and liabilities		1,206,822	1,151,551



Chairman

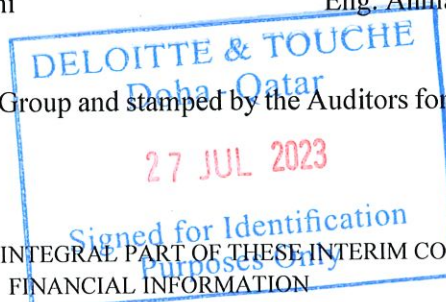
Hamad Bin Abdulla Bin Jassim Al-Thani



Chief Executive Officer

Eng. Ahmad Abdulla AL-Muslemani

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



THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MEEZA QSTP LLC**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the six-month period ended June 30, 2023

	Notes	For the six-month period ended June 30	
		2023	2022
		(Reviewed) QR'000	(Reviewed) QR'000
Revenue	17	221,789	156,283
Cost of sales	18	(164,128)	(101,761)
Gross profit		57,661	54,522
General and administrative expenses	19	(23,175)	(23,416)
Finance income		3,989	1,515
Interest expense on lease liabilities	12	(4,184)	(4,315)
Finance costs	13	(4,546)	(3,079)
Other (expense)/income		(29)	3
Profit for the period		29,716	25,230
Other comprehensive income		--	--
Total comprehensive income for the period		29,716	25,230

Earnings per share (QR)

Basic and diluted earnings (June 30, 2023: QR 1
per share at 648,980,000 shares; June 30, 2022:
QR 1,000 per share at 200 shares)

0.05 126,151

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

DELOITTE & TOUCHE
Doha - Qatar

27 JUL 2023

Signed for Identification

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MEEZA QSTP LLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended June 30, 2023

	Share capital	Statutory reserve	Advances from shareholders	Retained earnings/(accu- mulated losses)	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at December 31, 2021 (Audited)	200	3,302	749,800	(60,246)	693,056
Total comprehensive income for the period	--	--	--	25,230	25,230
<i>Dividends declared during the period:</i>					
Related to year 2020	--	--	--	(33,000)	(33,000)
Related to year 2021	--	--	--	(33,000)	(33,000)
Balance at June 30, 2022 (Reviewed)	<u>200</u>	<u>3,302</u>	<u>749,800</u>	<u>(101,016)</u>	<u>652,286</u>
Balance at December 31, 2022 (Audited)	648,980	8,515	--	21,687	679,182
Total comprehensive income for the period	--	--	--	29,716	29,716
Dividends paid during the period (Note 15):	--	--	--	(18,434)	(18,434)
Balance at June 30, 2023 (Reviewed)	<u>648,980</u>	<u>8,515</u>	<u>--</u>	<u>32,969</u>	<u>690,464</u>

DELOITTE & TOUCHE
Doha - Qatar

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

Signed for Identification
Purposes Only

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MEEZA QSTP LLC**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six-month period ended June 30, 2023

	Notes	For the six-month period ended June 30	
		2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		29,716	25,230
Adjustments for:			
Depreciation of property, plant and equipment	4	24,277	25,368
Depreciation of right-of-use assets	5	5,285	5,017
Finance costs		4,546	3,079
Finance income		(3,989)	(1,515)
Interest expense on lease liabilities	12	4,184	4,315
Provision for employees' end of service benefits	11	1,763	1,900
		<u>65,782</u>	<u>63,394</u>
Movements in working capital			
Trade and other receivables		(39,464)	(27,063)
Prepayments and other assets		(9,180)	(20,956)
Other non-current assets		1,860	(894)
Due from related parties		29,533	8,854
Trade and other payables		52,413	(18,676)
Contract liability		(3,196)	(239)
		<u>97,748</u>	<u>4,420</u>
Net cash generated by operations			
Finance costs paid		(4,546)	(3,079)
Payment for employees' end of service benefits	11	(652)	(1,193)
		<u>92,550</u>	<u>148</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	4	(8,079)	(6,378)
Finance income received		3,989	1,515
		<u>(4,090)</u>	<u>(4,863)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	15	(18,434)	--
Borrowings paid	13	(6,703)	--
Principal repayment of lease liabilities	12	(3,820)	(2,617)
		<u>(28,957)</u>	<u>(2,617)</u>
Net cash used in financing activities			
Net increase / (decrease) in cash and cash equivalents		59,503	(7,332)
Cash and cash equivalents at the beginning of the period / year		<u>203,405</u>	<u>235,695</u>
Cash and cash equivalents at the end of the period / year	8	<u>262,908</u>	<u>228,363</u>

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



THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MEEZA QSTP LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six-month period ended June 30, 2023

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 registration number 20080309-1 pursuant to law number 36 of 2005.

The Company is owned by Qatar Foundation for Education, Science and Community Development, and by Ooredoo Q.P.S.C up to 80% and 20%, respectively.

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.

The Company’s fully owned subsidiary, MEEZA Information Technology W.L.L. (the “Subsidiary”) 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.

As at the date of the issuance of these financial statements, the Group has successfully concluded its Initial Public Offering (“IPO”) of 50% of its issued Share Capital and it is expected that the Group will start trading on the main market of the Qatar Stock Exchange (“QSE”) before the end of August 2023, subject to relevant regulatory approvals.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six-month period ended June 30, 2023 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”).

The interim condensed consolidated financial information is prepared in Qatari Riyals, which is the Group’s functional and presentation currency and all values are rounded to the nearest thousands (QR’ 000) except when otherwise indicated.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2022. In addition, results for the six-month period ended June 30, 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

Judgments, estimates and risk management

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Group’s annual consolidated financial statements for the year ended December 31, 2022.

MEEZA QSTP LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six-month period ended June 30, 2023

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 registration number 20080309-1 pursuant to law number 36 of 2005.

The Company is owned by Qatar Foundation for Education, Science and Community Development, and by Ooredoo Q.P.S.C up to 80% and 20%, respectively.

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.

The Company’s fully owned subsidiary, MEEZA Information Technology W.L.L. (the “Subsidiary”) 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.

As at the date of the issuance of these financial statements, the Group has successfully concluded its Initial Public Offering (“IPO”) of 50% of its issued Share Capital and it is expected that the Group will start trading on the main market of the Qatar Stock Exchange (“QSE”) before the end of August 2023, subject to relevant regulatory approvals.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six-month period ended June 30, 2023 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”).

The interim condensed consolidated financial information is prepared in Qatari Riyals, which is the Group’s functional and presentation currency and all values are rounded to the nearest thousands (QR’ 000) except when otherwise indicated.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2022. In addition, results for the six-month period ended June 30, 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

Judgments, estimates and risk management

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Group’s annual consolidated financial statements for the year ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022 and the notes attached thereto, except for the adoption of certain new and revised standards as applicable, that became effective as of 1 January 2023, where applicable.

(i) New and amended standards and interpretations adopted by the Group

Effective for annual periods beginning on January 1, 2023

- Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The Group did not have to change its accounting policies or make retrospective adjustments as these are not applicable to the interim condensed consolidated financial information.

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Net book value at the beginning of the period / year	508,493	504,852
Additions during the period / year	8,079	53,811
Depreciation for the period / year	(24,277)	(50,170)
Net book value at the end of the period / year	492,295	508,493

Depreciation expense of QR 22.98 million (June 30, 2022: QR 25.26 million) has been charged in cost of sales, QR 1.30 million (June 30, 2022: QR 0.11 million) in general and administrative expenses.

5. 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.

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

5. RIGHT-OF-USE ASSETS (CONTINUED)*Group as a Lessee (continued)*

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

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Net book value at the beginning of the period / year	151,941	137,138
New lease added during the period / year	--	25,072
Depreciation for the period / year	(5,285)	(10,269)
Net book value at the end of the period / year	146,656	151,941

Amounts recognised in interim condensed consolidated statement of profit and loss:

	For the six-month period ended June 30	
	2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Depreciation of right-of-use assets (Notes 18, 19)	5,285	5,017
Interest expense on lease liabilities	4,184	4,315
Expense relating to short-term leases	479	1,077
	9,948	10,409

6. PREPAYMENTS AND OTHER ASSETS

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Prepayments	28,625	18,655
Advance to suppliers (i)	6,586	6,704
Other debit balances (ii)	7,006	7,678
	42,217	33,037

- (i) The 2023 balance pertains to the advance payments made to the vendors for the costs of the solution services contracts.
- (ii) The 2023 balance includes QR 5.40 million due from Shareholders (December 31, 2022: QR 4.78 million) representing amounts paid by the Company on behalf of the Shareholders in connection with the listing process.

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

7. TRADE AND OTHER RECEIVABLES

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Trade receivables	130,267	126,567
Less: Loss allowance	(5,256)	(5,256)
Trade receivables – net	125,011	121,311
Contract assets	46,636	10,872
	171,647	132,183

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. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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:

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Balance at the beginning of the period / year	5,256	5,525
Provision during the period / year	--	(269)
Balance at the end of the period / year	5,256	5,256

8. CASH AND CASH EQUIVALENTS

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

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Cash on hand	5	5
Bank balances	82,903	43,400
Short term time deposits	180,000	160,000
Cash and cash equivalents	262,908	203,405

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

9. SHARE CAPITAL

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Authorised, issued and fully paid <i>648,980,000 shares of nominal value 1 QR each</i> <i>(December 31, 2022: 648,980 shares of nominal value 1,000 QR each)</i>	648,980	648,980

In accordance with the unanimous shareholder resolution dated September 26, 2022; the recent amendment of the QSTP company regulations dated October 18, 2022; and the updated Articles of Associated adopted May 28, 2023, the Company reduced the nominal value per share to QR 1 as required by the QFMA for entities listed on the QSE.

10. 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 June 30, 2023, the statutory reserve amounted QR 8.52 million (December 31, 2022: QR 8.52 million). This reserve is not available for distribution.

11. EMPLOYEES' END OF SERVICE BENEFITS

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

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Balance at the beginning of the period / year	10,821	9,666
Expense for the period / year	1,763	3,263
Payments during the period / year	(652)	(2,108)
Balance at the end of the period / year	11,932	10,821

12. LEASE LIABILITIES

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Balance at the beginning of the period / year	164,074	144,024
Additions/modifications	--	25,072
Accretion of finance cost	4,184	8,645
Principal payment	(3,820)	(13,667)
Balance at the end of the period / year	164,438	164,074

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

12. LEASE LIABILITIES (CONTINUED)

Presented in the interim condensed consolidated financial position as follows:

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Non-current lease liabilities	155,322	155,791
Current lease liabilities	9,116	8,283
	164,438	164,074

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

13. BORROWINGS

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Non-current borrowings	128,155	134,858
Current borrowings	13,548	13,548
	141,703	148,406

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.

Finance costs incurred during the period amounted to QR 4.23 million (June 30, 2022: QR 2.63 million).

14. TRADE AND OTHER PAYABLES

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Trade payables (i)	32,837	28,113
Accrued expenses (ii)	104,157	78,139
Retention payable	2,997	7,458
Contract liability	30,942	4,924
Other current liabilities	184	70
	171,117	118,704

- (i) As at June 30, 2023, the balance includes due to related parties amounting QR 4.06 million (December 31, 2022: QR 2.29 million)
- (ii) As at June 30, 2023, the balance includes accrued assets QR 19.63 million (December 31, 2022: QR 20.92 million).

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

15. DIVIDEND

On May 15, 2023, the Board of Directors had proposed a cash dividend of 85% of retained earnings related to results of year 2022 amounting QR 18.43 million. This was subsequently approved by the shareholders during the Annual General Assembly held on May 18, 2023 and payment was made on June 15, 2023.

16. 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:

	For the six-month period ended June 30	
	2023	2022
	(Reviewed)	(Reviewed)
	QR'000	QR'000
<i>Sale of goods and services:</i>		
Shareholders	31,743	30,637
Other affiliated companies	39,945	20,748
	71,688	51,385

b) Balances arising from sales of goods/services

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

	June 30, 2023	December 31, 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Due from related parties: (Refer Note below)	35,979	86,677
<i>Shareholders</i>	53,408	32,243
<i>Other affiliates</i>	89,387	118,920
	(8,530)	(8,530)
<i>Provision for loss allowance</i>	80,857	110,390

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 from 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.

16. RELATED PARTY DISCLOSURES (CONTINUED)*b) Balances arising from sales of goods/services (continued)*

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:

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Balance at the beginning of the period / year	8,530	8,772
Recovery during the period / year	--	(242)
Balance at the end of the period / year	8,530	8,530

c) Compensation of key management personnel

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

	For the six-month period ended June 30	
	2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Short-term benefits	6,221	6,169
Long-term benefits	--	39
	6,221	6,208

17. 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.

	For the six-month period ended June 30	
	2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Revenue – at a point of time:		
Solutions services	67,290	16,893
Revenue – over time:		
Data centre services	67,170	68,070
Manage services	56,853	38,556
Workplace services	7,033	9,614
Solutions services	11,415	11,221
Master system integrator services	4,200	6,561
Cloud services	7,828	5,368
	221,789	156,283

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

17. REVENUE

The current portion of the deferred revenue referred as “contract liability” in the interim condensed consolidated statement of financial position amounting to QR 2.31 million (December 31, 2022: QR 3.16 million) is expected to be recognised as revenue during 2023. The non-current portion of contract liability is expected to be recognized as revenue after 12-months from the reporting date.

The unsatisfied performance obligation as at reporting date amounted to QR 1,285.41 million (December 31, 2022: QR 1,282.35 million).

18. COST OF SALES

	For the six-month period ended June 30	
	2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Software, hardware and license cost	75,205	22,243
Outsourcing and third party cost	23,355	25,791
Depreciation of property, plant and equipment (Note 4)	22,975	25,261
Salaries, wages and other benefits	19,578	21,462
Data centre management costs	18,848	3,138
Depreciation of right-of-use assets (Note 5)	4,095	3,828
Others	71	38
	164,128	101,761

19. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended June 30	
	2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Staff costs and allowances	15,483	15,832
Professional fees	261	1,382
Depreciation of right-of-use assets (Note 5)	1,190	1,189
Rent	479	1,077
Marketing costs	165	806
Insurance	799	529
Directors' remuneration	487	317
Office expenses	347	223
Depreciation of property, plant and equipment (Note 4)	1,302	107
Others	2,662	1,954
	23,175	23,416

MEEZA QSTP LLC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six-month period ended June 30, 2023

20. COMMITMENTS AND CONTINGENT LIABILITIES

	June 30, 2023 (Reviewed) QR'000	December 31, 2022 (Audited) QR'000
Performance guarantee	95,712	59,705
Tender and other guarantees	43,870	43,228

21. 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, due from related parties and trade receivables. Financial liabilities consist of trade payables, dividends payable, 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.

22. SEGMENT INFORMATION

For management purposes, the Company is organised into one reportable operating segment which includes solution services, data center services and managed services.

Geographically, the Company only operates in the State of Qatar.

23. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) is calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of shares outstanding during the year.

The following reflects the income and share data used in basic and diluted earnings per share computation:

	June 30, 2023 (Reviewed) QR'000	June 30, 2022 (Reviewed) QR'000
Profit attributable to the equity holders for the period	29,716	25,230
Weighted average number of shares outstanding during the year ("in thousands")	648,980	0.2
Basic and diluted earnings per share (expressed in QR per share)	0.05	126,151

The figures for basic and diluted earnings per share are the same, as the Company has not issued any instruments that would impact the earnings per share when exercised.

MEEZA QSTP LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six-month period ended June 30, 2023

24. SUBSEQUENT EVENTS

On July 18, 2023, the Company received the IPO proceeds of QR 697.32 million from Investors.

It is expected that the Group will start trading on the main market of the Qatar Stock Exchange (“QSE”) before the end of August 2023, subject to relevant regulatory approvals.

Companies listed on the Qatar Exchange are exempt from taxation under Qatari Tax Law.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information were approved by the Board of Directors and authorised for issue on July 27, 2023.