MEEZA QSTP-LLC (PUBLIC)
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

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RN: 355/SM/FY2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
MEEZA QSTP-LLC (Public)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MEEZA QSTP LLC (Public) ("the Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matters</th><th>How the our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Revenue Recognition with respect to Solutions and Managed Services</td></tr>
<tr><td>
The Group reported revenue of QR 423 million during the year ended December 31, 2023, which includes solutions services revenue of QR 136 million and managed services revenue of QR 113 million. which constitutes 59% of total revenue.
Solutions services revenue comprises the following:

Revenue from management and maintenance services of hardware and software owned by customers; and
Sale of hardware and software to customers.

Management and maintenance services are generally recognised over a period of time, being the period that these services are rendered whereas sales of hardware and software to customers are recognised at a point in time. IFRSs requires that revenue recognised at a point in time and revenue recognised over a period of time are separately disclosed.
Managed services revenue comprises revenue from the management of Information Technology ("IT") infrastructure through the provision of hardware, software and management functions. The Group does not provide the customer with legal ownership of the hardware and software. The Group will either manage its customer's overall IT function or perform certain tasks relating to this function. Managed services revenue is recognised over a period of time, being the period that these services are rendered.
The recognition of revenue from both management and maintenance services and managed services requires management to apply significant judgements in determining the individual performance obligations in the underlying contract with the customer and make significant estimates in allocating the contract price to the performance obligations identified.
Cash amounts received from customers in excess of revenue recognised are presented as contract liabilities in the consolidated statement of financial position. Revenue recognised in excess of cash amounts received from customers and billings made to customers is presented as contract assets in the consolidated statement of financial position.
We considered this to be a key audit matter given the significance of these revenue streams to the financial statements and the level of judgements applied and estimates made by management.
Refer to the following notes to the consolidated financial statement for more details relating to this matter:
Note 3: Material Accounting Policy Information;
Note 4.1: Critical Judgments and Key Sources of Estimation Uncertainty; and
Note 20: Revenue
</td><td>
Our procedures in relation to revenue recognition from solutions and managed revenue recognized by the Group included, but were not limited to, the following:

We obtained an understanding of the process used to measure and record revenue from solution and managed services and identified the relevant controls, IT systems, interfaces and reports used in this process.
We assessed the relevant controls over the recognition of revenue from solutions and managed services to determine if they had been appropriately designed and implemented and were operating effectively.
We assessed the Group's accounting policies, key judgements and significant estimates to determine if they were in compliance with the requirements of IFRSs.
We selected contracts, on a sample basis, and assessed management's identification of the performance obligations in these contracts and their allocation of the contract price to each performance obligation and agreed this allocation to the amount recognized as revenue.
We tested contract assets, on a sample basis, by selecting individual items recognized, recalculating the revenue earned with reference to the underlying contract and tracing cash receipts or billings to bank statements or the trade receivables listing at the reporting date respectively.
We tested contract liabilities, on a sample basis, by selecting individual items recognized, recalculating the revenue earned with reference to the underlying contract and tracing cash receipts to bank statements.
We selected cash deposits in bank statements for the one-month period prior to the reporting date to determine if the deposits had been appropriately recorded as revenue, a reduction to trade receivables or contract assets or an increase in contract liabilities.
We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

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</table>

Other Information

Management is responsible for the other information. The other information comprises the Board of Director's Report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 the applicable provisions of Qatar Commercial Companies' Law, 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.

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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

Further, we report the following:

- We are of the opinion that proper books of account were maintained by the Company and the contents of the director's report are in agreement with the Company's accompanying financial statements.
- We obtained all the information and explanations which we considered necessary for our audit; and
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of the Company's Articles of Associations and QSTP Companies Regulation in the context of the Group's consolidated financial statements were committed during the year which would materially affect the Group's financial position or its financial performance.

Doha – Qatar
February 7, 2024

For **Deloitte & Touche**
Qatar Branch

ديلويت أند توش
محاسبون قانونيون
Public Accountants
DELOITTE & TOUCHE

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

MEEZA QSTP-LLC (Public)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	Notes	December 31, 2023 QR'000	December 31, 2022 QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**475,280**	508,493
Right-of-use assets	6	**143,231**	151,941
Contract asset	7	**11,162**	--
Other non-current assets	8	**4,447**	12,102
Total non-current assets		**634,120**	672,536
Current assets			
Prepayments and other assets	9	**18,754**	33,037
Due from related parties	19	**43,719**	91,895
Contract asset	7	**120,548**	29,367
Trade and other receivables	10	**122,978**	121,311
Cash and bank balances	11	**249,975**	203,405
Total current assets		**555,974**	479,015
Total assets		**1,190,094**	1,151,551
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**648,980**	648,980
Statutory reserve	13	**14,537**	8,515
Retained earnings		**55,942**	21,687
Total equity		**719,459**	679,182
Non-current liabilities			
Employees' end of service benefits	14	**11,251**	10,821
Contract liability	20	**33,466**	27,205
Lease liabilities	15	**148,396**	155,791
Borrowings	16	**121,597**	134,858
Total non-current liabilities		**314,710**	328,675
Current liabilities			
Contract liability	20	**16,104**	3,159
Lease liabilities	15	**9,934**	8,283
Borrowings	16	**13,404**	13,548
Due to related parties	19	**6,193**	2,286
Trade and other payables	17	**110,290**	116,418
Total current liabilities		**155,925**	143,694
Total liabilities		**470,635**	472,369
Total equity and liabilities		**1,190,094**	1,151,551

The financial statements on pages 1 to 46 were approved and authorised for issue by the Board of Directors on 7 February 2024 and were signed on its behalf by:

DELOITTE & TOUCHE
Doha - Qatar

Chairman
Hamad Bin Abdulla Bin Jassim Al-Thani

Acting Chief Executive Officer
Mohsin Nasser M A Al Marri

07 FEB 2024

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

Signed for Identification
Purposes Only

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2023

	Notes	2023 QR'000	2022 QR'000
Revenue	20	**422,917**	352,877
Cost of sales	21	**(308,197)**	(246,212)
Gross profit		**114,720**	106,665
General and administrative expenses	22	**(49,846)**	(43,087)
Other expenses		**(3)**	(5)
Interest income	11	**13,044**	3,686
Interest expense on lease liabilities	15	**(8,422)**	(8,645)
Finance costs	16	**(9,277)**	(6,488)
Profit for the year		**60,216**	52,126
Other comprehensive income		--	--
Total comprehensive income for the year		**60,216**	52,126
Basic and Diluted earnings per share (in QR)	27	**0.09**	0.08

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DELOITTE & TOUCHE
Doha - Qatar
07 FEB 2024
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	Share capital	Statutory reserve	Advances from shareholders	Retained earnings/ (Accumulated losses)	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2022	200	3,302	749,800	(60,246)	693,056
Total comprehensive income for the year	--	--	--	52,126	52,126
Transfer of advances from shareholders	648,780	--	(749,800)	101,020	--
Transfer to statutory reserve (Note 13)	--	5,213	--	(5,213)	--
Transaction with owners in their capacity as owners:					
Dividends declared during the period (Note 18):					
Related to year 2020	--	--	--	(33,000)	(33,000)
Related to year 2021	--	--	--	(33,000)	(33,000)
Balance at December 31, 2022	**648,980**	**8,515**	**--**	**21,687**	**679,182**
Total comprehensive income for the year	--	--	--	60,216	60,216
Appropriation for contribution to social and sports fund (Note 13)	--	--	--	(1,505)	(1,505)
Transfer to statutory reserve (Note 13)	--	6,022	--	(6,022)	--
Transaction with owners in their capacity as owners:					
Dividends declared during the period (Note 18):	--	--	--	(18,434)	(18,434)
Balance at December 31, 2023	**648,980**	**14,537**	**--**	**55,942**	**719,459**

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

DELOITTE & TOUCHE
Doha - Qatar
07 FEB 2024
Signed for Identification Purposes Only

MEEZA QSTP-LLC (Public)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	Notes	2023	2022
		QR'000	QR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**60,216**	52,126
Adjustments for:			
Depreciation of property, plant and equipment	5	**47,646**	50,170
Depreciation of right-of-use assets	6	**10,954**	10,269
Finance costs		**9,277**	6,488
Finance income		**(13,044)**	(3,686)
Interest expense on lease liabilities	15	**8,422**	8,645
Expected credit losses /(recovery) on trade receivables	10	**771**	(269)
Expected credit losses / (recovery) on due from related parties	19	**1,429**	(242)
Provision for employees' end of service benefits	14	**3,368**	3,263
		129,039	126,764
Movements in working capital			
Trade and other receivables		**(2,438)**	(17,796)
Contract asset		**(102,343)**	201
Prepayments and other assets		**14,283**	(12,170)
Other non-current assets		**7,655**	4,719
Due from related parties		**46,747**	26,732
Trade and other payables		**(7,633)**	(5,461)
Due to related parties		**3,907**	--
Deferred revenue		**19,206**	(16,891)
Net cash generated by operations		**108,423**	(106,098)
Finance costs paid		**(9,277)**	(6,488)
Payment for employees' end of service benefits	14	**(2,938)**	(2,108)
Net cash generated by operating activities		**96,208**	97,502
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	5	**(14,433)**	(53,811)
Finance income received		**13,044**	3,686
Net cash used in investing activities		**(1,389)**	(50,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	18	**(18,434)**	(66,000)
Borrowings paid	16	**(13,405)**	--
Principal repayment of lease liabilities	15	**(16,410)**	(13,667)
Net cash used in financing activities		**(48,249)**	(79,667)
Net increase (decrease) in cash and cash equivalents		**46,570**	(32,290)
Cash and cash equivalents at the beginning of the year		**203,405**	235,695
Cash and cash equivalents at the end of the year	11	**249,975**	203,405

DELOITTE & TOUCHE
Doha - Qatar

07 FEB 2024

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

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Purposes Only

1. INCORPORATION AND ACTIVITIES

MEEZA QSTP-LLC (Public) (the "Company") is registered as a limited liability company under the Qatar Science and Technology Park (QSTP) Free Zone Regulations with registration number STP008 pursuant to law number 36 of 2005.

On August 23, 2023 the Company was listed on the Qatar Stock Exchange. Qatar Foundation for Education, Science and Community Development own 40% of the Company, and Ooredoo Q.P.S.C own 10%.

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, Gharrafa 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, which commenced in 2021, 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.

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

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of January 1, 2023:

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, 2023, have been adopted in these financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)	January 1, 2023
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.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (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
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17) (continued)	January 1, 2023
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.	
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies	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)

2.1 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
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	January 1, 2023

The IASB has amended IAS 8 to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

The IASB has retained the concept of changes in accounting estimates in the Standard, even though the definition was deleted, 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.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

The amendments provide 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.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (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
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)	January 1, 2023

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

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 recognizes:

- 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 utilized) 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 recognized 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

Amendments to IAS 12 Income Taxes —International Tax Reform—Pillar Two Model Rules	January 1, 2023

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (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
Amendments to IAS 12 Income Taxes	January 1, 2023
The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.	
The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance	

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

The Company 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 IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current	January 1, 2024. Early application permitted
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the 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.	
Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current	January 1, 2024. Early application permitted
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.	
In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent.	

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 Presentation of Financial Statements Classification of Liabilities as Current or Non-current (continued) An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The 2022 amendments deferred the effective date of the amendments to *IAS 1 Classification of Liabilities as Current or Non-current* published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.The amendments are applied retrospectively.	January 1, 2024. Early application 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 recognized 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 recognized 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
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions The amendments require a seller-lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.	January 1, 2024. Early application permitted

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 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	January 1, 2024. Earlier application is permitted

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- *The terms and conditions of the arrangements*
- *The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;*
- *The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;*
- *Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement;*
- *Liquidity risk information*

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendments to IAS 1 Presentation of Financial Statements – Non-Current Liabilities with Covenants	January 1, 2024

In January 2020, the IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current (the 2020 Amendments). One of the requirements prescribed by the 2020 Amendments related to the classification of liabilities subject to covenants (e.g. a bank loan where the lender may demand accelerated repayment if financial covenants are not met). The 2020 Amendments provided that if an entity's right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at the end of the reporting period. Several concerns were raised about the outcome of these requirements, therefore, the mandatory effective date was deferred. In order to address these concerns, the IASB has now issued the 2022 Amendments.

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 Presentation of Financial Statements – Non-Current Liabilities with Covenants (continued) The 2022 Amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. An entity is required to disclose information about these covenants in the notes to the financial statements. The Amendments address the concerns raised by stakeholders on the effects of the amendments to IAS 1 Classification of Liabilities as Current or Non-current related to classification of liabilities with covenants. Under the 2022 Amendments, a covenant affects whether right to defer settlement exists at the end of the reporting period if compliance with the covenant is required on or before the end of the reporting period. The amendments are applied retrospectively with early application permitted.	January 1, 2024
Amendments to IAS 21 - Lack of Exchangeability An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	January 1, 2025. Earlier application is permitted

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's 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 financial statements of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), the Company's Articles 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 Company's functional currency and the Group's presentation currency. All financial information are expressed in thousands Qatari Riyals (QR '000) except when otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Basis of preparation (continued)

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The principal accounting policies are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Basis of consolidation (continued)

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 recognized 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 recognized in the consolidated statement of 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 recognized 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

Recognition and measurement

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.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

Subsequent costs that can be reliably measured 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.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if applicable, using the straight-line method over their estimated useful lives commencing when the assets are ready for their intended use and is generally recognised in the consolidated statement of profit or loss.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Property, plant and equipment (continued)

Depreciation (continued)

The estimated useful lives of property, plant and equipment is presented in Note 5 and are as follows:

Data centre and network assets	3 - 25 years
Building and leasehold improvements	5 - 20 years
Office furniture and other equipment	3 - 5 years

Management has determined the estimated useful lives of each asset and/ or category of assets based on the expected usage of the assets, physical wear and tear depending on operational and environmental factors and legal or similar limits on the use of the assets. Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate, on a prospective basis.

Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of property and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts and are recognised net within 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Impairment of tangible assets (continued)

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.

Current versus non-current classification

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

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period (or receivable on demand); or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

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

All other assets and liabilities are classified as non-current.

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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Provisions (continued)

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.

Post-employment benefits

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.

Defined contribution pension plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company pays contributions to publicly administered pension insurance plans on a mandatory basis for all Qatari employees and GCC nationals in accordance with Qatar Pensions and Retirement Law No. 24 of 2002 and other relevant laws. The Company has no further pension payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

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. MATERIAL ACCOUNTING POLICIES INFORMATION (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 "interest income" line item.

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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

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.

<u>(ii) Definition of default</u>

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 (other than governmental entities) 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

(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.

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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial assets (continued)

Derecognition of financial assets (continued)

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 the consolidated statement of 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 the consolidated statement of 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 the consolidated statement of 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.

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:

- Data centre and managed services
- Workplace services
- Solutions services
- Master system integrator services
- Cloud services

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Revenue recognition (continued)

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.

Revenues from the above mentioned services, except Solutions services, are recognised over time upon the satisfaction of the performance obligation. The Group uses output method to measure the progress of the revenue recognised overtime.

Revenues from solution services are typically recognised at a point in time upon control of the goods or service is transferred to the customer.

Contract liability:

When a customer pays up-front for requested services, a contract liability is recognised for revenues associated with these services at the time of initial sale and is released over the service period.

Contract asset:

When payment for services performed to date is not due from the customer based on the agreed-upon performance-related milestones, a contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed to date.

Non-refundable upfront fee

The Group charge non-refundable fees associated to projects charged to customers. These fees are recognised as revenue when 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.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Leases (continued)

The Group as lessee (continued)

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).
- 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Leases (continued)

The Group as lessee (continued)

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.

Cash and cash equivalent

Cash and cash equivalents comprise bank balances and short-term deposits with original maturities of three months or less, if any, net of any outstanding balances and are used by the Group in the management of its short-term commitments.

Social and Sports Fund Contribution

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2011, which is applicable for all Qatari listed shareholding companies with publicly traded shares, the Group has made an appropriation of 2.5% of its net profit to a state social fund.

Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

Segment reporting

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Tax

The Parent Company's profits are exempt from income tax given its status as a Qatari listed company.

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 preparation of the financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

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

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 (continued)

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.

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.

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.

Significant increase in credit risk

An entity shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions that are within the scope of IFRS 15, and that do not contain a significant financing component in accordance with IFRS 15 (or when the entity applies the practical expedient in accordance with paragraph 63 of IFRS 15.

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

4.2 Critical judgments in applying accounting policies (continued)

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.

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 the lease.

Going concern

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

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

4.2 Key sources of estimation uncertainty

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the 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 are discussed below:

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.

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.

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.

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

4.2 Key sources of estimation uncertainty (continued)

Estimates (continued)

Calculation of loss allowance (continued)

The sensitivity of ECL on the profit of the Group could be presented as follows:

	Increase/(decrease) in basis points	Effect on profit (QR)
December 31, 2023		
Expected Credit Losses	**50**	**7,993**
	(50)	(7,993)
December 31, 2022		
Expected Credit Losses	50	5,298
	(50)	(5,298)

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

Management assessed that there are no events or changes in circumstances that indicate that the carrying amount of the right-of-use assets is impaired. Impairment indicators factored in the management's assessment are, but not limited to, the following: Physical condition of the right-of-use assets, adverse effect on the Company's performance impacting the usage of the right-of-use assets, future commitments needed to support the function of the right-of-use assets, and any significant drop in the external market value of the right-of-use assets.

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, 2022	1,297,180	2,070	9,511	8,312	1,317,073
Additions	--	--	--	53,811	53,811
Transfer	45,886	--	2,766	(48,652)	--
At January 1, 2023	1,343,066	2,070	12,277	13,471	1,370,884
Additions	--	--	--	14,433	14,433
Transfers	12,016	7,517	2,422	(21,955)	--
At December 31, 2023	**1,355,082**	**9,587**	**14,699**	**5,949**	**1,385,317**
Accumulated depreciation:					
At January 1, 2022	800,926	1,996	9,299	--	812,221
Depreciation expense	49,779	36	355	--	50,170
At January 1, 2023	850,705	2,032	9,654	--	862,391
Depreciation expense	44,602	1,540	1,504	--	47,646
At December 31, 2023	**895,307**	**3,572**	**11,158**	**--**	**910,037**
Carrying amount:					
At December 31, 2023	**459,775**	**6,015**	**3,541**	**5,949**	**475,280**
At December 31, 2022	492,361	38	2,623	13,471	508,493
Depreciation rate 2023	**4% - 33%**	**5% - 20%**	**33% - 20%**		
Depreciation rate 2022	4% - 33%	5% - 20%	33% - 20%		

Depreciation expense of QR 44.60 million (2022: QR 49.78 million) has been charged in cost of sales, QR 3.04 million (2022: QR 0.39 million) in general and administrative expenses.

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**
	QR'000	**QR'000**	**QR'000**
January 1, 2022	133,937	3,201	137,138
Additions	12,269	12,803	25,072
Depreciation expense (Notes 21, 22)	(7,891)	(2,378)	(10,269)
December 31, 2022	138,315	13,626	151,941
Additions	2,244	--	2,244
Depreciation expense (Notes 21, 22)	(8,576)	(2,378)	(10,954)
December 31, 2023	**131,983**	**11,248**	**143,231**

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

	2023	2022
	QR'000	QR'000
Depreciation of right-of-use assets	**10,954**	10,269
Interest expense on lease liabilities	**8,422**	8,645
Expense relating to short-term leases	**1,006**	1,798
	20,382	20,712

As at December 31, 2023, the Group is committed to Nil (2022: Nil) short-term leases.

7. CONTRACT ASSET

	2023	2022
	QR'000	QR'000
Third parties	**82,423**	10,872
Related parties	**49,287**	18,495
	131,710	29,367

	2023	2022
	QR'000	QR'000
Non-current contract asset	**11,162**	--
Current contract asset	**120,548**	29,367
	131,710	29,367

7. CONTRACT ASSET (CONTINUED)

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECL. The expected credit losses on contract assets 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.

8. OTHER NON-CURRENT ASSETS

	2023	2022
	QR'000	QR'000
Security deposit	**1,137**	1,143
Others	**3,310**	10,959
	4,447	12,102

9. PREPAYMENTS AND OTHER ASSETS

	2023	2022
	QR'000	QR'000
Prepayments	**12,041**	18,655
Advance to suppliers (i)	**3,379**	6,704
Other debit balances (ii)	**3,334**	7,678
	18,754	33,037

(i) The balance pertains to the advance payments made to the vendors for the costs of the services contracts.

(ii) The 2023 balance includes QR 0.22 million due from the founding shareholders (2022: QR 4.78 million) representing amounts paid by the Company on behalf of the founding shareholders in connection with the listing process.

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	QR'000	QR'000
Trade receivables	**129,005**	126,567
Less: Loss allowance	**(6,027)**	(5,256)
	122,978	121,311

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables 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.

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

Expected credit loss rate	**0%**	**6%**	**0%**	**12%**	**5%**
December 31, 2023	**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	**39,694**	**29,871**	**23,754**	**35,686**	**129,005**
Lifetime ECL	**(26)**	**(1,668)**	**(98)**	**(4,235)**	**(6,027)**
Net receivable	**39,668**	**28,203**	**23,656**	**31,451**	**122,978**

Expected credit loss rate	0%	1%	2%	13%	4%
December 31, 2022	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	46,318	18,172	26,015	36,062	126,567
Lifetime ECL	(18)	(163)	(432)	(4,643)	(5,256)
Net receivable	46,300	18,009	25,583	31,419	121,311

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:

	2023	2022
	QR'000	QR'000
Balance as at January 1,	**5,256**	5,525
(Recovery)/provision during the year	**771**	(269)
Balance as at December 31,	**6,027**	5,256

11. 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:

	2023	2022
	QR'000	QR'000
Cash on hand	**5**	5
Bank balances	**21,370**	43,400
Time deposits	**228,600**	160,000
Cash and cash equivalents	**249,975**	203,405

11. CASH AND CASH EQUIVALENTS (CONTINUED)

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.

Time deposits generated interest income of QR 12.80 million for the year ended December 31, 2023 recorded under interest income in the statement of profit or loss and other comprehensive income (QR 3.69 million for the year ended December 31, 2022).

12. SHARE CAPITAL

	2023	2022
	QR'000	QR'000
Authorised, issued and fully paid		
648,980,000 shares of nominal value 1 QR each (2022: 648,980 shares of nominal value 1,000 QR each)	**648,980**	648,980

In accordance with the amendment of the QSTP company regulations dated October 18, 2022, and unanimous shareholder resolution, the Company reduced the nominal value per share to QR 1 during the year as required by the QFMA for entities listed on the QSE.

As at 31 December 2023, Qatar Foundation for Education, Science and Community Development and Ooredoo Q.P.S.C hold 259,592,006 and 64,898,001 shares, respectively, constituting 50% of the total shareholding.

13. STATUTORY RESERVE AND SOCIAL AND SPORTS FUND

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, 2023, the statutory reserve amounted QR 14.54 million (2022: QR 8.52 million). This reserve is not available for distribution.

Social and Sports Fund:
According to Qatar Law No. 13 for the year 2008 and the related clarifications issued in January 2010 the Group is required to contribute 2.5% of annual net profits of the Group to the State Social and Sports Fund.

The clarification relating to Law No. 13 of 2008 requires the payable amount to be recognised as an appropriation of profit directly in the consolidated statement of changes in equity.

During the year ended December 31, 2023, the Group appropriated QR 1.51 million of the profit to Social and Sports Fund contribution (Note 17).

14. EMPLOYEES' END OF SERVICE BENEFITS

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

	2023	2022
	QR'000	QR'000
Balance as at January 1,	**10,821**	9,666
Expense for the year	**3,368**	3,263
Payments during the year	**(2,938)**	(2,108)
Balance as at December 31,	**11,251**	10,821

15. LEASE LIABILITIES

	2023	2022
	QR'000	QR'000
Balance as at January 1,	**164,074**	144,024
Additions/modifications	**2,244**	25,072
Accretion of finance cost	**8,422**	8,645
Lease payments	**(16,410)**	(13,667)
Balance as at December 31,	**158,330**	164,074

Presented in the consolidated financial position as follows:

	2023	2022
	QR'000	QR'000
Non-current lease liabilities	**148,396**	155,791
Current lease liabilities	**9,934**	8,283
	158,330	164,074

	2023	2022
	QR'000	QR'000
Maturity analysis		
Not later than 1 year	**9,934**	8,283
Later than 1 year and not later than 5 years	**33,712**	33,666
Later than 5 years	**114,684**	122,125
	158,330	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.

16. BORROWINGS

	2023	2022
	QR'000	QR'000
Non-current borrowings	**121,597**	134,858
Current borrowings	**13,404**	13,548
	135,001	148,406

16. BORROWINGS (CONTINUED)

The Group entered into a Facility Agreement with Dukhan Bank for QR 148.4 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 3.35 million starting March 2023 and one final bullet payment of QR 44.5 million (30% of facility amount) in December 2030. 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.

Borrowing finance costs incurred and recognized in the consolidated statement of profit or loss during the year amounted to QR 8.62 million (2022: QR 5.67 million).

17. TRADE AND OTHER PAYABLES

	2023	2022
	QR’000	QR’000
Trade payables	**20,093**	25,827
Accrued expenses (i)	**79,626**	78,139
Retention payable	**4,461**	7,458
Advances from customer	**4,303**	4,924
Payable to social and sports fund	**1,505**	--
Other current liabilities	**302**	70
	110,290	116,418

(i) As at December 31, 2023, the balance includes accrued assets of QR 1.96 million (2022: QR 20.92 million).

18. DIVIDEND

The Board of Directors has proposed cash dividend distribution of QR 0.081 per share for the year ended 31 December 2023. The proposed final dividend for the year ended 31 December 2023 will be submitted for formal approval at the Annual General Meeting.

On May 15, 2023, the Board of Directors had proposed a cash dividend of 85% of retained earnings 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.

19. RELATED PARTY DISCLOSURES (CONTINUED)

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 transactions with related parties:

	2023	2022
	QR'000	QR'000
Sale of goods and services:		
Shareholders	**75,438**	63,679
Other affiliated companies	**60,888**	58,763
	136,326	122,442

b) Balances arising from sales of goods/services

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

	2023	2022
	QR'000	QR'000
Due from related parties:		
Shareholders	**31,872**	69,115
Other affiliates	**21,806**	31,310
	53,678	100,425
Provision for loss allowance	**(9,959)**	(8,530)
At December 31	**43,719**	91,895

	2023	2022
	QR'000	QR'000
Due to related parties:		
Shareholders	**5,456**	1,369
Other affiliates	**737**	917
At December 31	**6,193**	2,286

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.

19. RELATED PARTY DISCLOSURES (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:

	2023	2022
	QR'000	QR'000
Balance as at January 1	**8,530**	8,772
Provision (Recovery) during the year	**1,429**	(242)
Balance as at December 31	**9,959**	8,530

c) Compensation of key management personnel

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

	2023	2022
	QR'000	QR'000
Short-term benefits	**12,994**	13,377
Long-term benefits	**--**	88
	12,994	13,465

20. 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.

	2023	2022
	QR'000	QR'000
Revenue – at a point of time:		
Solutions services	**113,022**	56,691
Revenue – over time:		
Data centre and managed services	**248,102**	231,220
Workplace services	**15,016**	16,888
Solutions services	**21,736**	21,736
Master system integrator services	**8,188**	14,898
Cloud services	**16,853**	11,444
	422,917	352,877

The current portion of the deferred revenue referred as "contract liability" in the consolidated statement of financial position amounting to QR 16.10 million (2022: QR 3.16 million) is expected to be recognised as revenue during 2024. The non-current portion of contract liability is expected to be recognized as revenue at least after 12-months from the reporting date.

The unsatisfied performance obligation as at reporting date amounted to QR 1,240.59 million (2022: QR 1,282.35 million).

21. COST OF SALES

	2023	2022
	QR'000	QR'000
Software, hardware and license cost	**120,752**	76,443
Outsourcing and third party cost	**58,761**	54,190
Depreciation of property, plant and equipment (Note 5)	**44,602**	49,779
Salaries, wages and other benefits	**39,532**	37,377
Data centre management costs	**35,892**	20,409
Depreciation of right-of-use assets (Note 6)	**8,576**	7,891
Others	**82**	123
	308,197	246,212

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	QR'000	QR'000
Staff costs and allowances	**31,736**	30,833
Depreciation of property, plant and equipment (Note 5)	**3,044**	391
Depreciation of right-of-use assets (Note 6)	**2,378**	2,378
Loss allowance/(Recovery) (Notes 10 and 19)	**2,200**	(511)
Professional fees (i)	**1,699**	2,915
Insurance	**1,584**	1,146
Directors' remuneration	**1,022**	631
Rent	**1,006**	1,798
Office expenses	**910**	540
Marketing costs	**358**	1,083
Others	**3,909**	1,883
	49,846	43,087

(i) Professional fees include audit and assurance services fee of QR 0.49 million (2022: QR 0.14 million) and other services fee of QR 0.02 million (2022: QR 0.02 million).

23. COMMITMENTS AND CONTINGENT LIABILITIES

	2023	2022
	QR'000	QR'000
Performance guarantee	**77,876**	59,705
Tender and other guarantees	**35,629**	43,228

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, 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, 2023	**Financing cash flows**	**Non-cash changes**	**At December 31, 2023**
	QR'000	**QR'000**	**QR'000**	**QR'000**
Dividend paid	**--**	**(18,434)**	**--**	**(18,434)**
Lease liabilities	**164,074**	**(16,410)**	**10,666**	**158,330**
Borrowings	**148,406**	**(13,405)**	**--**	**135,001**
	312,480	**(48,249)**	**10,666**	**274,897**

	At January 1, 2022	Financing cash flows	Non-cash changes	At December 31, 2022
	QR'000	QR'000	QR'000	QR'000
Dividend paid	--	(66,000)	--	(66,000)
Lease liabilities	144,024	(13,667)	33,717	164,074
Borrowings	148,406	--	--	148,406
	292,430	(79,667)	33,717	246,480

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, and retained earnings. The Company sets the amount of capital in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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 limited as it borrows and deposits funds at market rates. The loan appearing in the books of the Company (Note 16) is carried at floating rate and the borrowing finance cost incurred during 2023 is QR 8.62 million (2022: QR 5.67 million). Interest income during 2023 is QR 13.04 million (2022: QR 3.69 million).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at December 31, 2023, 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.

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.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk management (continued)

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, 2023	**Note**	**12-month or lifetime ECL**	**Gross carrying**	**Loss allowance**	**Net carrying Amount**
			QR '000	**QR '000**	**QR '000**
Bank balances	11	12-month ECL	**249,975**	**--**	**249,975**
Trade receivables	10	Lifetime ECL	**129,005**	**(6,027)**	**122,978**
Contract asset	7	Lifetime ECL	**131,710**	**--**	**131,710**
Due from related parties	19	Lifetime ECL	**53,678**	**(9,959)**	**43,719**

December 31, 2022	Note	12-month or lifetime ECL	Gross carrying	Loss allowance	Net carrying Amount
			QR '000	QR '000	QR '000
Bank balances	11	12-month ECL	203,405	--	203,405
Trade receivables	10	Lifetime ECL	126,567	(5,256)	121,311
Contract asset	7	Lifetime ECL	29,367	--	29,367
Due from related parties	19	Lifetime ECL	100,425	(8,530)	91,895

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.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk management (continued)

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 discounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

At December 31, 2023	**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	**20,093**	**--**	**--**	**--**	**20,093**
Due to related parties	**6,193**	**--**	**--**	**--**	**6,193**
Lease liabilities	**9,934**	**9,440**	**24,272**	**114,684**	**158,330**
Borrowings	**13,404**	**13,404**	**40,212**	**67,981**	**135,001**
	49,624	**22,844**	**64,484**	**182,665**	**319,617**

At December 31, 2022	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	25,827	--	--	--	25,827
Due to related parties	2,286	--	--	--	2,286
Lease liabilities	8,283	8,619	25,047	122,125	164,074
Borrowings	13,548	13,548	40,644	80,666	148,406
	49,944	22,167	65,691	202,791	340,593

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, 2023	**Less than 1 year**	**Between 1 and 2 years**
	QR'000	**QR'000**
Trade and other receivables	**122,978**	**--**
Due from related parties	**43,719**	**--**
	166,697	**--**

At December 31, 2022	Less than 1 year	Between 1 and 2 years
	QR'000	QR'000
Trade and other receivables	121,311	--
Due from related parties	91,895	--
	213,206	--

27. BASIC AND DILUTED EARNINGS PER SHARE (IN QR)

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:

	2023	2022
Profit attributable to the equity holders for the year ("in thousands")	**60,216**	52,126
Weighted average number of shares outstanding during the year ("in thousands") (i)	**648,980**	648,980
Basic and diluted earnings per share (expressed in QR per share)	**0.09**	0.08

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

(i) The actual number of shares as at December 31, 2022 was 648,980 with nominal value of QR 1,000 each. This number of shares has been adjusted as per the requirement of IAS-33 with reference to a change in nominal value of share to calculate the weighted average number of shares outstanding during the year so earnings per share is comparable. Refer to note 12 for change in nominal value during the year ended December 31, 2023.

28. SUBSEQUENT EVENT

There is no subsequent event, except as disclosed in Note 18, that may have an impact in the financial statements.

29. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has one reportable operating segment which is the IT segment from its contracts of Data Centre, Managed Services, Cloud Services, Master Service Integrator Services, Workplace Services and Solution Services.

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