

**Mannai Corporation Q.P.S.C.**  
**Interim Condensed Consolidated Financial Statements**  
**30 June 2021**

**Mannai Corporation Q.P.S.C.**

**Interim Condensed Consolidated Financial Statements  
As at and for the six-month period ended 30 June 2021**

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**Independent auditor's report on review of interim condensed consolidated financial statements**

To  
The Board of Directors  
Mannai Corporation Q.P.S.C.  
Doha - Qatar

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mannai Corporation Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 30 June 2021, and the interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements ('the interim condensed consolidated financial statements'). The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

*Scope of review*

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




**Independent auditor's report on review of interim condensed consolidated financial statements (continued)**

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at and for the six- month period ended 30 June 2021 are not prepared, in all material respects, in accordance with IAS 34 – *"Interim Financial Reporting"*.

11 August 2021  
Doha  
State of Qatar



  
Gopal Balasubramaniam  
Qatar Auditors Registry Number 251  
KPMG  
Licensed by QFMA: External  
Auditor's  
License No. 120153

**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of financial position  
As at 30 June 2021**

In thousands of Qatari Riyals

	Notes	30 June 2021 (Reviewed)	31 December 2020 (Audited) (Restated)*
<b>ASSETS</b>			
<b>Current assets</b>			
Bank balances and cash	3	919,083	1,150,315
Accounts receivable and prepayments	4	5,203,024	4,912,322
Inventories	5	1,571,074	1,654,930
Due from related parties	20	34,356	40,169
<b>Total current assets</b>		<b>7,727,537</b>	<b>7,757,736</b>
<b>Non-current assets</b>			
Accounts receivable and prepayments	4	292,304	304,298
Financial assets – equity instruments	6	16,506	15,069
Investment in joint venture companies	7	22,847	19,956
Investment in associate companies	8	963,490	970,506
Goodwill and other intangible assets	9	5,917,241	5,775,274
Property, plant and equipment	10	917,172	917,885
Investment properties	11	972	9,940
Deferred tax assets		64,171	184,079
Right-of-use assets	12(a)	537,700	623,599
Due from related parties	20	55,918	46,534
<b>Total non-current assets</b>		<b>8,788,321</b>	<b>8,867,140</b>
<b>Total assets</b>		<b>16,515,858</b>	<b>16,624,876</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts	3	301,248	280,613
Lease liabilities	12(b)	190,105	192,929
Interest bearing loans and borrowings	13	2,598,663	2,001,117
Accounts payable and accruals	14	5,456,305	5,419,966
Due to related parties	20	715	2,945
<b>Total current liabilities</b>		<b>8,547,036</b>	<b>7,897,570</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		18,341	4,191
Lease liabilities	12(b)	374,255	445,289
Interest bearing loans and borrowings	13	5,005,913	5,706,770
Accounts payable and accruals	14	20,447	90,654
Employees' end of service benefits		423,605	429,552
<b>Total non-current liabilities</b>		<b>5,842,561</b>	<b>6,676,456</b>
<b>Total liabilities</b>		<b>14,389,597</b>	<b>14,574,026</b>

\*Refer note 26



The interim condensed consolidated statement of financial position continues on next page.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of financial position (continued)**  
**As at 30 June 2021**

In thousands of Qatari Riyals

	Notes	30 June 2021 (Reviewed)	31 December 2020 (Audited) Restated*
<b>Equity</b>			
Share capital	15	456,192	456,192
Legal reserve	16	1,083,456	1,083,456
Acquisition reserve		(999,488)	(999,488)
Other reserve		(55,577)	(64,782)
Foreign currency translation reserve		(87,410)	(39,952)
Proposed dividends		-	4,562
Fair value reserve		(32,990)	(32,990)
Retained earnings		1,759,605	1,642,496
<b>Equity attributable to owners of the Company</b>		<b>2,123,788</b>	<b>2,049,494</b>
Non-controlling interests		2,473	1,356
<b>Total equity</b>		<b>2,126,261</b>	<b>2,050,850</b>
<b>Total liabilities and equity</b>		<b>16,515,858</b>	<b>16,624,876</b>

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on their behalf by the following on 11 August 2021.



**Mohammed Ali M. K. Al Kubaisi**  
 Director



**Khaled Sultan Al Rabban**  
 Director



\*Refer note 26

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of income  
For the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

		<b>Six-month period ended</b>	
		<b>30 June 2021 (Reviewed)</b>	<b>30 June 2020 (Reviewed)</b>
	<b>Notes</b>		
Revenue	17	7,284,843	5,338,667
Direct costs		(5,769,570)	(4,254,648)
<b>Gross profit</b>		<b>1,515,273</b>	<b>1,084,019</b>
Share of results from joint venture companies	7	2,950	(547)
Share of results from associate companies	8	13,644	(17,567)
Other income		47,314	26,482
General and administrative expenses		(728,938)	(622,250)
Selling and distribution expenses		(245,072)	(204,497)
Impairment loss on financial and contract assets – net		(12,928)	(8,333)
<b>Profit before interest, tax, depreciation and amortization</b>		<b>592,243</b>	<b>257,307</b>
Finance costs		(173,667)	(196,975)
Depreciation and amortization	9,10,11 and 12	(243,382)	(207,703)
<b>Profit / (loss) before tax</b>		<b>175,194</b>	<b>(147,371)</b>
Income tax		(57,930)	(55,750)
<b>Net profit / (loss) for the period</b>		<b>117,264</b>	<b>(203,121)</b>
<b>Attributable to:</b>			
Owners of the Company		117,109	(202,791)
Non-controlling interests		155	(330)
		<b>117,264</b>	<b>(203,121)</b>
<b>Earnings / (loss) per share:</b>			
Basic and diluted earnings / (loss) per share attributable to owners of the Company (QR)	19	0.26	(0.44)



The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of comprehensive income  
For the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

	<b>Six-month period ended</b>	
	<b>30 June 2021 (Reviewed)</b>	<b>30 June 2020 (Reviewed)</b>
<b>Net profit / (loss) for the period</b>	<b>117,264</b>	<b>(203,121)</b>
<b>Other comprehensive income</b>		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Change in fair value of derivative financial liabilities	2,076	(635)
Valuation of share-based payments	5,535	4,564
Foreign currency translation adjustment	(47,441)	2,828
<b>Total other comprehensive income for the period</b>	<b>(39,830)</b>	<b>6,757</b>
<b>Total comprehensive income for the period</b>	<b>77,434</b>	<b>(196,364)</b>
<b>Attributable to:</b>		
Owners of the Company	77,262	(195,990)
Non-controlling interests	172	(374)
	<b>77,434</b>	<b>(196,364)</b>



The accompanying notes form an integral part of these interim condensed consolidated financial statements.



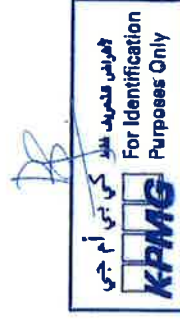
**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of changes in equity  
For the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

	Share capital	Legal reserve	Acquisition reserve	Other reserve	Foreign currency translation reserve	Proposed dividends	Fair value reserve	Retained earnings	Equity attributable to		Total
									Owners of the Company	Non-controlling interests	
Balance – 31 December 2020 / 1 January 2021 (Audited) (Restated*)	456,192	1,083,456	(999,488)	(64,782)	(39,952)	4,562	(32,990)	1,642,496	2,049,494	1,356	2,050,850
Profit for the period	-	-	-	-	-	-	-	117,109	117,109	155	117,264
Other comprehensive income	-	-	-	7,611	(47,458)	-	-	-	(39,847)	17	(39,830)
Total comprehensive income for the period	-	-	-	7,611	(47,458)	-	-	117,109	77,262	172	77,434
Other adjustments	-	-	-	1,594	-	-	-	-	1,594	945	2,539
Dividends paid (note 18)	-	-	-	-	-	(4,562)	-	-	(4,562)	-	(4,562)
<b>Balance – 30 June 2021 (Reviewed)</b>	<b>456,192</b>	<b>1,083,456</b>	<b>(999,488)</b>	<b>(55,577)</b>	<b>(87,410)</b>	<b>-</b>	<b>(32,990)</b>	<b>1,759,605</b>	<b>2,123,788</b>	<b>2,473</b>	<b>2,126,261</b>

\*Refer note 26



The accompanying notes form an integral part of these interim condensed consolidated financial statements.

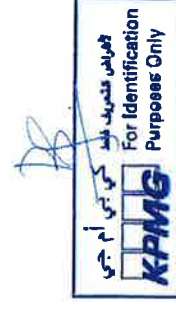
**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of changes in equity (continued)  
For the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

	Share capital	Legal reserve	Acquisition reserve	Other reserve	Foreign currency translation reserve	Proposed dividends	Fair value reserve	Retained earnings	Equity attributable to		Total
									Owners of the Company	Non-controlling interests	
Balance – 31 December 2019 / 1 January 2020 (Audited) (Restated*)	456,192	1,083,456	(999,488)	(63,332)	(116,994)	91,238	(32,990)	1,645,756	2,063,838	2,251	2,066,089
Loss for the period	-	-	-	-	-	-	-	(202,791)	(202,791)	(330)	(203,121)
Other comprehensive income	-	-	-	3,929	2,872	-	-	-	6,801	(44)	6,757
Total comprehensive income for the period	-	-	-	3,929	2,872	-	-	(202,791)	(195,990)	(374)	(196,364)
Dividends paid (note 18)	-	-	-	-	-	(91,238)	-	-	(91,238)	-	(91,238)
Other adjustments	-	-	-	(1,907)	-	-	-	-	(1,907)	(1,022)	(2,929)
Balance – 30 June 2020 (Reviewed)	456,192	1,083,456	(999,488)	(61,310)	(114,122)	-	(32,990)	1,442,965	1,774,703	855	1,775,558

\*Refer note 26



The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Mannai Corporation Q.P.S.C.**

**Interim condensed consolidated statement of cashflows  
For the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

		Six-month period ended	
		30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
Notes			
<b>Cash flows from operating activities</b>			
		<b>175,194</b>	(147,371)
Profit / (loss) before tax			
Adjustments for:			
	9,10,11 and 12	<b>243,382</b>	207,703
Depreciation and amortization		<b>12,928</b>	8,333
Impairment loss on financial and contract assets – net		<b>8,742</b>	4,021
Provision of obsolete and slow-moving inventories		<b>(926)</b>	(1,051)
Gain on disposal of property, plant and equipment		<b>(10,500)</b>	-
Gain on disposal of investment properties	11	<b>(4,245)</b>	-
Gain on disposal of a subsidiary		<b>(119)</b>	(150)
Write back of provisions / liabilities no longer required		<b>(1,791)</b>	(2,680)
Finance income		<b>173,667</b>	196,975
Finance costs		<b>(2,950)</b>	547
Share of results from joint venture companies	7	<b>(13,644)</b>	17,567
Share of results from associate companies	8	<b>32</b>	1,698
Write off of property plant and equipment	10	<b>294</b>	-
Gain on de-recognition of right-of-use assets and lease liabilities		<b>22,705</b>	24,991
Provision for employees' end of service benefits		<b>602,769</b>	310,583
<b>Operating profit before working capital changes</b>			
<i>Working capital changes:</i>			
Accounts receivable and prepayments		<b>(170,126)</b>	112,347
Inventories		<b>75,114</b>	(232,433)
Due from / to related parties		<b>(5,802)</b>	27,565
Accounts payable and accruals		<b>(241,018)</b>	298,069
<b>Cash generated from operating activities</b>		<b>260,937</b>	516,131
Finance costs paid		<b>(160,143)</b>	(153,424)
Employees' end of service benefits paid		<b>(18,328)</b>	(18,762)
Social and sports contribution paid		<b>(357)</b>	(3,211)
<b>Net cash generated from operating activities</b>		<b>82,109</b>	340,734
<b>Cash flows from investing activities</b>			
Acquisition of financial assets – equity instruments	6(b)	<b>(2,032)</b>	-
Proceeds from disposal of property, plant and equipment		<b>8,835</b>	8,097
Dividends received	8	<b>19,949</b>	13,826
Acquisition of investment in associate companies	8	<b>(681)</b>	(13,616)
Additions to goodwill and intangible assets	9	<b>(63,640)</b>	(57,875)
Net cash outflows from acquisition of a subsidiary		<b>(33,639)</b>	(1,071,315)
Proceeds from disposal of a subsidiary		<b>4,245</b>	-
Acquisition of property, plant and equipment	10	<b>(75,243)</b>	(54,184)
Interest received		<b>1,792</b>	-
Proceeds from sale of investment properties		<b>19,255</b>	-
<b>Net cash used in investing activities</b>		<b>(121,159)</b>	(1,175,067)
<b>Cash flows from financing activities</b>			
Payment of lease liabilities	12	<b>(103,342)</b>	(120,241)
Dividend paid to owners of the parent	18	<b>(4,562)</b>	(91,238)
Movement in interest bearing loans and borrowings		<b>(103,311)</b>	1,114,128
<b>Net cash (used in) / generated from financing activities</b>		<b>(211,215)</b>	902,649
Net change in cash and cash equivalents		<b>(250,265)</b>	68,316
Cash and cash equivalents at the beginning of period		<b>867,104</b>	88,632
<b>Cash and cash equivalents at the end of period</b>	3	<b>616,839</b>	156,948

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Mannai Corporation Q.P.S.C.****Notes to the interim condensed consolidated financial statements  
As at and for the six-month period ended 30 June 2021****1. Corporate information**

Mannai Corporation Q.P.S.C. (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Economy and Commerce under Commercial Registration Number 12. The registered office of the Company is situated on East Industrial Street, PO Box 76, Doha, State of Qatar. The Company is listed on the Qatar Exchange.

The Company's parent is Qatar Investments & Project Development Holding Company QIPCO WLL.

The core activities of the Company and its subsidiaries (together referred to as the "Group") include information and communication technology, automotive and heavy equipment distribution and service, geotechnical, geological, environmental and material testing services, engineering services to the oil and gas sector, logistics and warehousing, office systems, medical equipment, building materials, travel and cargo services, home appliances and electronics, trading and representation, facilities maintenance and management services and trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones on wholesale and retail basis.

The interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 comprise the financial statements of the Company and its controlled subsidiaries. Set out below is a list of local, and foreign material subsidiaries of the Group;

Name of subsidiaries	Principal activities	Country of incorporation	Group's effective shareholding percentage	
			2021	2020
Mannai Trading Company W.L.L.	Trading and services	Qatar	100	100
Manweir L.L.C.	Engineering	Qatar	100	100
Gulf Laboratories Company W.L.L.	Geotechnical services	Qatar	100	100
Space Travel W.L.L.	Travel	Qatar	100	100
Space Cargo L.L.C.	Travel	Qatar	100	100
Qatar Logistics W.L.L.	Logistics	Qatar	100	100
Technical Services Company W.L.L.	Representations	Qatar	100	100
Mansoft Qatar W.L.L.	Information technology	Qatar	100	100
Mannai Security Services W.L.L.	Security services	Qatar	100	100
Mannai Auto Rent W.L.L.	Car rental services	Qatar	100	100
Best Holidays Online	Travel	Qatar	100	n/a
Mannai Air Travel W.L.L.	Travel	Qatar	100	100
Mannai Holidays and Inbound Tourism W.L.L.	Travel	Qatar	100	100
Inetum (Formerly known as Gfi Informatique SA)	Holding company	France	100	100
Inetum Realdolmen Belgium (Formerly known as Realdolmen NV)	Services ICT	Belgium	100	100
Inetum Polska Sp Zoo (Formerly known as IMPAQ Sp. Z.o.o)	Services ICT	East of Europe	100	100
Inetum Software France (Formerly known as Gfi Progiciels SAS)	Software	France	100	100



**Notes to the interim condensed consolidated financial statements**  
**As at and for the six-month period ended 30 June 2021**

**1. Corporate information (continued)**

Name of subsidiaries	Principal activities	Country of incorporation	Group's effective shareholding percentage	
			2021	2020
Inetum Midmarket Solutions France (Formerly known as Edigitalis)	Consulting and outsourcing	France	100	100
Inetum Modernisation Solutions (Formerly known as Metaware Technologies SA)	Applications Services	France	100	100
Inetum Business Solutions France (Formerly known as Gfi Informatique Entreprise Solutions SAS)	Software	France	100	100
Addstones-Vanilla SAS	Consulting, Applications services and Business solutions	France	100	100
Gfi Business-Transformation SAS	Consulting	France	100	100
Cynapsys France	Services ICT	France	100	100
Business Document SAS	Software	France	100	100
Gfi Conseil et Intégration de Solutions SASU	Consulting	France	100	100
Roff France	Consulting	France	100	100
Inetum Luxembourg (Formerly known as Gfi Infrastructure Services S.A. (ex-Computacenter))	Consulting, Applications services and Business solutions	Luxembourg	100	100
Inetum Mexico (Formerly known as Iecisa Mexico)	Services ICT	Mexico	100	100
Inetum Holding Mexico (Formerly known as Gfi Informatica Mexico SA de CV)	Services ICT	Mexico	100	100
Inetum Servicios Mexico 2 (Formerly known as Gesfor Mexico, S.A de C.V)	Services ICT	Mexico	100	100
Inetum Maroc (Formerly known as Gfi Informatique Maroc)	Services ICT	Morocco	100	100
Inetum Consulting Maroc (Formerly known as Capital Consulting)	Consulting services	Morocco	70	70
Inetum Business Solutions Maroc (Formerly known as Value Pass)	Services ICT	Morocco	100	100
Inetum Peru (Formerly known as Hundred)	Outsourcing services and IT projects	Peru	100	100
Inetum CLSW Software Portugal (Formerly known as I2S Informatica)	Software	Portugal	100	100
Inetum Tech Portugal (en mars 2021) (Formerly known as Gfi Portugal - Tecnologias de Informacao, SA)	Consulting, Applications services and Business solutions	Portugal	100	100
Inetum Holding Business Solutions Portugal (Formerly known as Roff Consultores Independetes SA)	SAP	Portugal	100	100



**Notes to the interim condensed consolidated financial statements**  
**As at and for the six-month period ended 30 June 2021**

**1. Corporate information (continued)**

Name of subsidiaries	Principal activities	Country of incorporation	Group's effective shareholding percentage	
			2021	2020
I2S Brokers	Software	Portugal	100	100
Inetum Romania (Formerly known as Vauban)	Services ICT	Romania	100	100
Inetum Espana (Formerly known as Informatica El Corte Ingles SA IECISA))	Services ICT	Spain	100	-
Inetum Norte (Formerly known as Grupo Corporativo Gfi Norte)	Application services	Spain	100	100
Savac Consultores SL	Software	Spain	100	100
Grupo Corporativo Gfi Informatica SA	Consulting, Applications services and Business solutions	Spain	100	100
Inetum Suisse S.A. (Formerly known as Gfi International)	Application services	Switzerland	100	100
IMPAQ AG	Consulting services	Switzerland	100	100
Inetum Holding Tunisie (Formerly known as Cynapsys Inc)	Consulting and outsourcing	Tunisia	100	100
Efron Consulting Inc	Applications and infrastructures services	USA	100	100
Damas L.L.C.	Jewellery trading	UAE	100	100
Damas Jewellery L.L.C (formerly Gem Universe L.L.C.)	Jewellery trading	Oman	100	100
Damas Company W.L.L.	Jewellery trading	Bahrain	100	100
Damas Jewellery Kuwait Company W.L.L.	Jewellery trading	Kuwait	100	100
Damas Saudi Arabia Company Limited	Jewellery trading	KSA	100	100
Damas Jewellery L.L.C.	Jewellery trading	UAE	100	100
Damas Jewellery D.M.C.C.	Jewellery trading	UAE	100	100
Damas Jewellery Manufacturing Company L.L.C.	Jewellery trading	UAE	-	100
Premium Investments International L.L.C.	Jewellery trading	UAE	100	100



## 2.1 Basis of preparation

## 2.2 Use of judgements and estimates

## 2.3 Significant accounting policies

## Other amendments to standards that are effective as of 1 January 2021

Effective date	New standards or amendments
1 January 2021	Interest Rate Benchmark Reform Phase 2 –Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Following new, revised standards, interpretations and amendments have been issued that are not yet effective for the six-month period ended 30 June 2021 and have not been early adopted in preparing these interim condensed consolidated financial statements.

Effective date	New standards or amendments
1 January 2022	Onerous Contracts: Cost of Fulfilling a Contract – Amendments to IAS 37
	Annual Improvements to IFRS Standards 2018–2020 – Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41
	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16)
	Reference to the Conceptual Framework –Amendments to IFRS 3
1 January 2023	Classification of Liabilities as Current or Noncurrent– Amendments to IAS 1
	IFRS 17 Insurance Contracts
	Definition of Accounting Estimate –Amendments to IAS 8
	Disclosure of Accounting Policies –Amendments to IAS 1 and IFRS Practice Statement 2
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)





**Notes to the interim condensed consolidated financial statements**  
**As at and for the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

**3. Bank balances and cash**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>	<b>30 June 2020 (Reviewed)</b>
Bank balances and cash	<b>919,083</b>	1,150,315	1,095,076
Restricted cash	-	-	(614,520)
Bank balances and cash – net	<b>919,083</b>	1,150,315	480,556
Less: Fixed and margin deposit under lien	<b>(996)</b>	(2,598)	(1,897)
	<b>918,087</b>	1,147,717	478,659
Less: Bank overdrafts	<b>(301,248)</b>	(280,613)	(321,711)
Cash and cash equivalents	<b>616,839</b>	867,104	156,948

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the 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 credit-impaired and taking into account the historical default experience and the current credit ratings of the bank, management of the Group have assessed that the expected credit loss is insignificant on these balances.

**4. Accounts receivable and prepayments**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Trade accounts receivable	<b>2,004,335</b>	1,963,876
Contract assets	<b>2,490,155</b>	1,974,538
Tax receivables	<b>421,655</b>	464,691
Receivables transferred to factoring companies	<b>209,535</b>	389,926
Advances to suppliers, net	<b>91,561</b>	68,815
Notes receivable	<b>190,681</b>	195,897
Prepayments	<b>143,811</b>	137,838
Deposits	<b>19,587</b>	19,298
Others	<b>168,155</b>	237,579
	<b>5,739,475</b>	5,452,458
Less: Allowance for impairment of receivables and contract assets (b)	<b>(244,147)</b>	(235,838)
	<b>5,495,328</b>	5,216,620

(a) Presented in the interim condensed consolidated statement of financial position as follows:

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Current	<b>5,203,024</b>	4,912,322
Non-current	<b>292,304</b>	304,298
	<b>5,495,328</b>	5,216,620





	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Beginning of the period / year	235,838	112,305
Net movement during the period / year	8,309	123,533
	<u>244,147</u>	<u>235,838</u>

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Gold and other jewellerys, net of consignment inventory	961,474	981,580
Work-in-progress	195,057	143,826
Merchandises, spares and tools	414,995	381,128
Vehicles and heavy equipment	128,179	264,902
Industrial supplies	10,451	15,852
Others	4,905	5,041
	<u>1,715,061</u>	<u>1,792,329</u>
Less: Provision for obsolete and slow-moving items	<u>(143,987)</u>	<u>(137,399)</u>
	<u>1,571,074</u>	<u>1,654,930</u>

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Financial assets at fair value through other comprehensive income (a)	8,393	8,392
Financial assets at fair value through profit or loss (b)	8,113	6,677
	<u>16,506</u>	<u>15,069</u>

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Beginning of the period / year	8,392	8,391
Exchange adjustment	1	1
End of the period / year	8,393	8,392

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Beginning of the period / year	6,677	945
Additions	2,032	5,641
Exchange adjustments	(596)	91
End of the period / year	8,113	6,677



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**7. Investment in joint venture companies**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Beginning of the period / year	19,956	20,275
Share of results from joint ventures companies	2,950	(319)
Exchange adjustments	(59)	-
End of the period / year	<u>22,847</u>	<u>19,956</u>

**8. Investment in associate companies**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Beginning of the period / year	970,506	992,996
Acquired during the period / year	681	13,602
Dividends received	(19,949)	(44,825)
Share of results from associate companies	13,644	8,712
Exchange adjustments	(1,392)	21
End of the period / year	<u>963,490</u>	<u>970,506</u>

**9. Goodwill and other intangible assets**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited) (Restated*)</b>
Beginning of the period / year (1)	5,775,274	4,327,303
Arising from business combination	37,776	1,092,642
Additions during the period / year	63,640	125,703
Disposals	-	(2,143)
Amortisation relating to disposal	-	834
Charge for the period / year	(72,580)	(108,722)
Adjustments	237,569	-
Exchange adjustments – net	(124,438)	339,657
End of the period / year	<u>5,917,241</u>	<u>5,775,274</u>

\*Refer note 26

(1) In connection with the pending impairment testing exercise pertaining to the year 2019 and 2020, for one of the Group's Cash Generating Units (CGU), the carrying amount of QR 1,200.3 million (goodwill of QR 530.3 million and Trade name of QR 670 million), was determined to be higher than its recoverable amount, hence, accordingly the annual consolidated financial statements as of and for the year ended 31 December 2019 and 31 December 2020 were restated to this effect. The recoverable amount of the CGU based on value-in-use calculation was subjected to sensitivities for certain key assumptions due to the growth forecasts and instability in the economic environment. As part of the impairment exercise, the economic situation and risk profile of the geography in which the CGU operates were reflected in growth assumptions. A change in certain key assumptions such as forecasted sales, EBITDA margins, terminal growth rate etc. over the prior years caused the carrying amount to exceed the recoverable amount. Hence, an impairment loss of QR 270.6 million was recorded against goodwill and other intangible assets (refer note 26).



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**10. Property, plant and equipment**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Net book value - beginning of the period / year	917,885	872,752
Acquired through business combinations – net	49	32,504
Additions during the period / year	75,243	134,301
Disposals / other adjustments	(38,863)	(23,633)
Write-off	(32)	(3,735)
Charge for the period / year	(61,004)	(108,248)
Accumulated depreciation related to disposals / other adjustments	30,954	(3,519)
Exchange adjustments	(7,060)	17,463
Net book value – end of the period / year	<u>917,172</u>	<u>917,885</u>

**11. Investment properties**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Net book value - beginning of the period / year	9,940	11,746
Disposals during the period / year	(8,755)	(1,300)
Charge for the period / year	(125)	(1,194)
Accumulated depreciation related to disposals	-	686
Exchange adjustments	(88)	2
Net book value – end of the period / year	<u>972</u>	<u>9,940</u>

During the period, certain investment properties were sold resulting in a gain on disposal of QR 10.5 million, which is included in 'other income'.

**12. Leases****(a) Right-of-use assets**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
At beginning of the period / year	623,599	605,241
Amortisation charge for the period / year	(109,673)	(232,672)
Additions to right-of-use assets during the period / year	34,734	61,503
Derecognition to right-of-use assets during the period / year	(2,257)	(24,951)
Impact from modifications of leases (i)	3,284	76,652
Net additions due to business acquisitions	-	100,711
Exchange adjustments	(11,987)	37,115
	<u>537,700</u>	<u>623,599</u>



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**12. Leases (continued)****(b) Lease liabilities**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
At beginning of the period / year	<b>638,218</b>	627,830
Additions during the period / year	<b>34,734</b>	61,503
Derecognition during the year	<b>(2,551)</b>	(27,120)
Additions due to business combinations	-	99,400
Impact from modification of leases (i)	<b>3,284</b>	74,738
Lease concessions related to COVID-19	-	(11,917)
Interest expense	<b>9,126</b>	20,801
Lease payments	<b>(103,342)</b>	(238,785)
Exchange adjustments	<b>(15,109)</b>	31,768
	<b>564,360</b>	638,218

Presented in the interim condensed consolidated statement of financial position as follows:

Current	<b>190,105</b>	192,929
Non-current	<b>374,255</b>	445,289
	<b>564,360</b>	638,218

*Note (i):*

The Group and the respective lessors, in case of certain leases, have agreed to amend the lease considerations while the other terms being unchanged. At the effective date of the modification, the Group remeasured the lease liability based on the remaining lease term, revised lease rates, and the Group incremental borrowing rate. On the respective modification dates, the Group has recognised the difference between the carrying amount of the modified lease liability and the lease liability immediately before the modification as an adjustment to the right-of-use assets.

**13. Interest bearing loans and borrowings**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Working capital facilities and others	<b>2,006,614</b>	1,817,113
Term loans	<b>4,790,018</b>	5,056,221
Liabilities to bondholders	<b>807,944</b>	834,553
	<b>7,604,576</b>	7,707,887



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**13. Interest bearing loans and borrowings (continued)**

Presented in the interim condensed consolidated statement of financial position as follows:

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Current	<b>2,598,663</b>	2,001,117
Non-current	<b>5,005,913</b>	5,706,770
	<b><u>7,604,576</u></b>	<b><u>7,707,887</u></b>

**14. Accounts payable and accruals**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Trade accounts payable	<b>1,777,962</b>	1,861,980
Tax and social security payable	<b>1,554,061</b>	1,524,178
Accrued expenses and others	<b>1,789,488</b>	1,528,949
Advances from customers	<b>345,968</b>	583,811
Derivative financial liabilities	<b>5,199</b>	7,521
Dividends payable	<b>4,074</b>	4,181
	<b><u>5,476,752</u></b>	<b><u>5,510,620</u></b>

Presented in the interim condensed consolidated statement of financial position as follows:

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Current	<b>5,456,305</b>	5,419,966
Non-current	<b>20,447</b>	90,654
	<b><u>5,476,752</u></b>	<b><u>5,510,620</u></b>

**15. Share capital**

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
Authorised, issued and fully paid shares of QR 1 each	<b><u>456,192</u></b>	<b><u>456,192</u></b>

**16. Legal reserve**

As required by Qatar Commercial Companies' Law, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued share capital. The Group has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. Further, during 2012, an amount of QR 933.4 million, being the net share premium amount arising out of the rights issue was transferred to legal reserve in accordance with requirements of the above law. The reserve is not available for distribution except in the circumstances stipulated in the Qatar Commercial Companies Law and the Company's Articles of Association.



**17. Revenue**

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived mainly from contracts with customers.

**A. Disaggregation of revenue**

Revenue from contracts with customers disaggregated by major products and service lines, and primary geographical markets is listed in notes 22(a) and 22(b) respectively.

**B. Contract balances**

The following table provides information about contract assets and contract liabilities from contracts with customers.

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Contract assets	2,473,190	1,957,602
Contract liabilities	(915,578)	(659,600)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The expected credit loss on contract assets is determined based on the lifetime ECL and is recorded as part of allowance for impairment of receivables and contract assets (refer note 4(b)).

The contract liabilities primarily relate to the advance consideration received from customers. This will be recognised as revenue when the obligation to transfer goods or services are fulfilled, which is expected to occur over the next one year.

**18. Dividends**

During the period, the Company paid dividend amounting to QR 4.6 million (2020: QR 91.24 million).

**19. Earnings / (loss) per share**

	Six-month period ended 30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
Net profit / (loss) for the period attributable to owners of the Company (in QR'000)	117,109	(202,791)
Weighted average number of shares at the end of the period (refer note 15)	456,192,000	456,192,000
Basic and diluted earnings / (loss) per share (QR)	0.26	(0.44)

**20. Related parties**

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are at arm's length basis.



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**20. Related parties (continued)****Related party balances**

Related party balances pertain to amounts due to and from associates, joint venture companies and others.

	<b>30 June 2021 (Reviewed)</b>	<b>31 December 2020 (Audited)</b>
<b>Due from related parties</b>		
Receivable from joint venture and associate companies	<b>34,356</b>	40,169
Long term loans to joint venture and associate companies, net	<b>55,918</b>	46,534
	<b>90,274</b>	86,703
Presented in the statement of financial position as follows:		
Current	<b>34,356</b>	40,169
Non-current	<b>55,918</b>	46,534
	<b>90,274</b>	86,703
<b>Due to related parties</b>		
Payable to joint venture and associate companies	<b>715</b>	2,945

**Related party transactions**

Transactions with related parties included in the interim condensed consolidated financial statements are as follows:

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	<b>30 June 2020 (Reviewed)</b>
Sales	<b>35,595</b>	20,791
Purchases	<b>653</b>	1,568

**Compensation of key management personnel and directors' remuneration**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	<b>30 June 2020 (Reviewed)</b>
Short-term benefits	<b>5,482</b>	5,769
Post-employment benefits	<b>306</b>	350
	<b>5,788</b>	6,119

**21. Contingencies and commitments****a) Contingent liabilities**

- (i) Litigations position reported in the Group's annual consolidated financial statements as at 31 December 2020 have not materially changed as at 30 June 2021.



**21. Contingencies and commitments (continued)****a) Contingent liabilities (continued)**

(ii) The Group's outstanding facilities are as follows:

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Letters of guarantee	1,249,336	1,260,356
Letters of credit	51,655	32,603
Stand-by letters of credit	665,576	762,300
	<u>1,966,567</u>	<u>2,055,259</u>

Stand-by letters of credit are provided by banks in favor of the suppliers of gold who have loaned gold on an unfixed basis to the Group.

**b) Commitments**

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
<i>Capital commitments</i>		
Capital work in progress – contracted but not provided for	<u>13,274</u>	<u>16,618</u>

**c) Contingent liabilities and commitments related to joint venture and associate companies**

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
<i>Contingent liabilities</i>		
Letters of guarantee	32,537	31,350
Letters of credit	45,625	51,876
	<u>78,162</u>	<u>83,226</u>





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## 22. Segment reporting

## a) By operating segments

Segment	Information Technology	Auto	E&I Markets	Geotechnical Services	Logistics	Travel	Engineering	Jewellery Trading	Telecom Retail	Others	Total
<b>30 June 2021 (Reviewed)</b>											
Revenue	6,108,301	445,091	113,590	26,786	11,274	7,672	37,747	490,028	-	44,354	7,284,843
Gross profit	1,241,468	72,346	19,905	7,898	6,446	6,536	7,210	132,898	-	20,566	1,515,273
EBITDA	474,795	40,478	10,780	2,766	4,192	1,018	(145)	60,160	(6,594)	4,793	592,243
Net profit / (loss) for the period before tax	181,795	22,932	8,206	(335)	4,037	(3,492)	(3,194)	13,221	(6,594)	(41,382)	175,194
Finance costs	(114,907)	(8,123)	(1,538)	(638)	(26)	(667)	(1,345)	(13,040)	-	(33,383)	(173,667)
Depreciation and amortization	(178,093)	(9,423)	(1,036)	(2,463)	(129)	(3,843)	(1,704)	(33,899)	-	(12,792)	(243,382)
<b>30 June 2021 (Reviewed)</b>											
Segment assets	10,896,735	495,088	132,532	55,797	27,014	35,884	66,920	1,438,951	818,708	2,548,229	16,515,858
Segment liabilities	8,422,308	105,784	63,781	41,465	9,025	16,929	68,999	559,206	-	5,102,100	14,389,597
<b>Other information:</b>											
<b>30 June 2021 (Reviewed)</b>											
Share of results from associates and joint venture companies	-	-	-	-	-	-	-	22,818	(6,594)	370	16,594
Investment in associates and joint venture companies	-	-	-	-	-	-	-	151,208	818,708	16,421	986,337




Segment	Information Technology	Auto	E&I Markets	Geotechnical Services	Logistics	Travel	Engineering	Jewellery Trading	Telecom Retail	Others	Total
<b>30 June 2020 (Reviewed)</b>											
Revenue	4,525,700	272,031	83,559	17,440	11,094	6,448	35,183	344,971	-	42,241	5,338,667
Gross profit	888,206	57,747	15,569	3,645	6,007	5,027	5,805	76,280	-	25,733	1,084,019
EBITDA	264,403	29,952	7,025	(2,061)	3,836	(1,527)	(579)	(27,180)	(15,749)	(813)	257,307
Net profit / (loss) for the period before tax	(805)	8,848	4,899	(4,555)	3,502	(5,101)	(4,103)	(79,999)	(15,749)	(54,308)	(147,371)
Finance costs	(122,603)	(10,299)	(866)	(606)	(58)	(740)	(1,454)	(19,378)	-	(40,971)	(196,975)
Depreciation and amortization	(142,605)	(10,805)	(1,260)	(1,888)	(276)	(2,834)	(2,070)	(33,441)	-	(12,524)	(207,703)

[illegible]

	-	-	-	-	-	(1,252)	(15,749)	(1,113)	(18,114)
<b>Share of results from associates and joint venture companies</b>									

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1
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**Mannai Corporation Q.P.S.C.**

**Notes to the interim condensed consolidated financial statements  
As at and for the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

**22. Segment reporting (continued)**

**b) By geographic segments**

	<b>Qatar</b>	<b>Other GCC countries</b>	<b>Europe</b>	<b>Others</b>	<b>Total</b>
<b>30 June 2021 (Reviewed)</b>					
Revenue	1,914,168	490,028	4,864,377	16,270	7,284,843
Gross profit	300,899	132,898	1,077,281	4,195	1,515,273
EBITDA	165,213	53,565	369,136	4,329	592,243
Net profit for the period before tax	17,551	7,586	146,009	4,048	175,194
Finance costs	(103,769)	(12,080)	(57,818)	-	(173,667)
Depreciation and amortization	(43,893)	(33,899)	(165,309)	(281)	(243,382)
<b>30 June 2021 (Reviewed)</b>					
Segment assets	5,207,587	2,258,944	9,019,072	30,255	16,515,858
Segment liabilities	6,469,435	561,397	7,353,351	5,414	14,389,597
<b>Other information</b>					
<b>30 June 2021 (Reviewed)</b>					
Share of results from associates and joint venture companies	370	16,224	-	-	16,594
Investment in associates and joint venture companies	16,421	969,916	-	-	986,337
	<b>Qatar</b>	<b>Other GCC countries</b>	<b>Europe</b>	<b>Others</b>	<b>Total</b>
<b>30 June 2020 (Reviewed)</b>					
Revenue	1,462,050	344,971	3,510,410	21,236	5,338,667
Gross profit	266,006	76,280	738,648	3,085	1,084,019
EBITDA	129,072	(42,930)	168,768	2,397	257,307
Net loss for the period before tax	(44,928)	(93,686)	(10,987)	2,230	(147,371)
Finance costs	(129,028)	(17,315)	(50,614)	(18)	(196,975)
Depreciation and amortization	(44,972)	(33,441)	(129,141)	(149)	(207,703)
<b>31 December 2020 (Audited) (Restated)*</b>					
Segment assets	5,064,963	2,286,158	9,242,051	31,704	16,624,876
Segment liabilities	6,337,197	587,449	7,641,916	7,464	14,574,026
<b>Other information</b>					
<b>30 June 2020 (Reviewed)</b>					
Share of results from associates and joint venture companies	(1,113)	(17,001)	-	-	(18,114)
<b>31 December 2020 (Audited)</b>					
Investment in associates and joint venture companies	16,051	974,411	-	-	990,462

\*Refer note 26



**Notes to the interim condensed consolidated financial statements**  
**As at and for the six-month period ended 30 June 2021**

In thousands of Qatari Riyals

**23. Fair value measurements**

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

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

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

Financial assets / (financial liabilities)	Classification	As at 30 June 2021		Fair value Hierarchy
		Carrying value (Reviewed)	Fair value (Reviewed)	
Bank balances and cash <sup>(1)</sup>	Amortised cost	919,083		
Accounts and other receivables <sup>(1)</sup>	Amortised cost	2,424,138		
Financial assets at fair value through other comprehensive income	FVOCI	8,393	8,393	Level 3
Financial assets at fair value through profit or loss	FVTPL	8,113	8,113	Level 3
Due from related parties <sup>(1)</sup>	Amortised cost	90,274		
Bank overdrafts <sup>(1)</sup>	Other financial liabilities	(301,248)		
Lease liabilities	Other financial liabilities	(564,360)		
Interest bearing loans and borrowings	Other financial liabilities	(7,604,576)	(7,604,576)	Level 2
Accounts payable and accruals (trade accounts payable and dividends payable) <sup>(1)</sup>	Other financial liabilities	(1,782,036)		
Derivatives financial liabilities	FVOCI	(5,199)	(5,199)	Level 2
Due to related parties <sup>(1)</sup>	Other financial liabilities	(715)		
Financial assets / (financial liabilities)	Classification	As at 31 December 2020		Fair value Hierarchy
		Carrying value (Audited)	Fair value (Audited)	
Bank balances and cash <sup>(1)</sup>	Amortised cost	1,150,315		
Accounts and other receivables <sup>(1)</sup>	Amortised cost	2,568,997		
Financial assets at fair value through other comprehensive income	FVOCI	8,392	8,392	Level 3
Financial assets at fair value through profit or loss	FVTPL	6,677	6,677	Level 3
Due from related parties <sup>(1)</sup>	Amortised cost	86,703		
Bank overdrafts <sup>(1)</sup>	Other financial liabilities	(280,613)		
Lease liabilities	Other financial liabilities	(638,218)		
Interest bearing loans and borrowings	Other financial liabilities	(7,707,887)	(7,707,887)	Level 2
Accounts payable and accruals (trade accounts payable and dividends payable) <sup>(1)</sup>	Other financial liabilities	(1,866,161)		
Derivative financial liabilities	FVOCI	(7,521)	(7,521)	Level 2
Due to related parties <sup>(1)</sup>	Other financial liabilities	(2,945)		



## 23. Fair value measurements (continued)

The investments classified under Level 3 category have been fair-valued based on information available for each investment such as net asset value.

There were no transfers between Level 2 and Level 3 and no transfers into and out of Level 1 fair value measurements during the six-month period ended 30 June 2021 (30 June 2020: QR nil).

(1) These financial assets and financial liabilities are carried at amortised cost. The fair values of these financial assets and financial liabilities are not materially different from their carrying values in the interim condensed consolidated statement of financial position, as these assets and liabilities are either of short-term maturities or are re-priced frequently based on market movement in interest rates.

## 24. Comparative information

Certain comparative figures have been reclassified to conform to the presentation in the current period's interim condensed consolidated financial statements. However, such reclassifications did not have any effect on the profit, total assets and equity of the comparative period. Further, due to consolidation of one of the acquired subsidiaries in April 2020, the current period financial information is not fully comparable with the prior period / year financial information.

## 25. Impact of COVID-19

COVID-19 has brought about uncertainties in the global economic environment. In light of the current situation, the Group has considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the interim condensed consolidated financial statements. The Group's business operations remain largely unaffected by the current situation.

Management has considered the potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets, and these are considered to represent management's best assessment based on observable information. Markets, however, remain volatile and the recorded amounts remain sensitive to market fluctuations.

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

## 26. Restatement

### a) Impairment of goodwill and other intangible assets

In 2019 and 2020, the Group was unable to conclude impairment testing in accordance with IAS 36 in respect of goodwill and other intangible assets allocated to one of its Cash Generating Units (CGU) forming part of the Jewellery Trading operating segment. The impairment exercise was pending due to the instability in the economy and the sector in which the CGU operates coupled with COVID-19 pandemic, due to which the Group was unable to apply reliable assumptions and source external benchmarks to develop forecasts for the impairment exercise. During the current period, management was in a position to apply more relevant and reliable assumptions owing to stability in the economy following vaccination and opening up of travel restrictions which helped management to forecast the key assumptions to be applied for the impairment exercise. The impairment exercise during the period has resulted in recording of total impairment loss amounting to QR 270.6 million against the goodwill and other intangibles allocated to the CGU. IAS 8 'Accounting policies, changes in accounting estimates and errors' requires to correct material prior period matters or adjustments retrospectively in the period / year to which the matter relates, since, the pending impairment exercise in connection with the CGU was pending from 2019, management has restated the prior years' consolidated financial statements in accordance with IAS 8 requirements to reflect the completion of pending impairment exercise.

### b) Restatement due to Purchase Price Allocation of Inetum Espana (formerly IECISA)

As per the requirements of IFRS 3, management has completed the Purchase Price Allocation (PPA) exercise pertaining to Inetum Espana acquired in 2020. Following the completion of the PPA exercise, management has allocated goodwill amounting to QR 153.7 million to other intangible assets. These intangible assets have finite useful lives and consequently the consolidated financial statements for the year ended 31 December 2020 are restated to record the amortisation of these other intangible assets.



**26. Restatement (continued)**

Summary of the effects of the above restatements on the previously reported figures are as follows:

		Previously reported figures	Restatement due to (a) above	Restated figures
<b>At 1 January 2020</b>				
Goodwill and other intangible assets		4,597,875	(270,572)	4,327,303
Retained earnings		1,916,328	(270,572)	1,645,756
	Previously reported figures	Restatement due to (a) above	Restatement due to (b) above	Restated figures
<b>At 31 December 2020</b>				
Goodwill and other intangible assets	6,063,351	(270,572)	(17,505)	5,775,274
Retained earnings	1,925,720	(270,572)	(12,652)	1,642,496
Deferred tax liabilities	8,568	-	(4,377)	4,191
Foreign currency translation reserve	(39,476)	-	(476)	(39,952)

All other related changes in the comparative amounts in the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows and notes to the interim condensed consolidated financial statements, are restated to reflect the above restatement.

**27. Subsequent events**

There were no material events subsequent to the reporting date, which have a bearing on the understanding of these interim condensed consolidated financial statements.

