

Mannai Corporation Q.P.S.C.
Interim Condensed Consolidated Financial Information
30 June 2023

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MANNAI CORPORATION Q.P.S.C.

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 referred to as the “Group”) as at 30 June 2023 and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity, and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim financial reporting' as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

For and on behalf of PricewaterhouseCoopers – Qatar Branch
Qatar Financial Market Authority registration number 120155

Mark Menton

Auditor's registration number 364
Doha, State of Qatar
14 August 2023

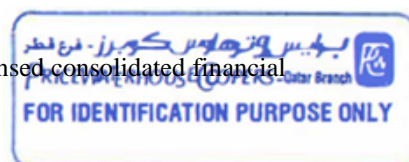


Mannai Corporation Q.P.S.C.
Interim condensed consolidated statement of financial position
At 30 June 2023

	Notes	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	669,305	678,238
Intangible assets	7	935,547	936,115
Right-of-use assets	9	187,814	180,941
Investment properties		38,046	38,139
Investment in associate companies	6	657,641	671,962
Investment in joint venture companies		30,151	25,874
Financial assets – equity instruments		8,351	8,337
Due from related parties	18	60,223	53,025
Trade and other receivables	4	126,696	90,708
Total non-current assets		2,713,774	2,683,339
Current assets			
Inventories	5	2,268,940	2,196,288
Due from related parties	18	1,889	6,335
Trade and other receivables	4	2,099,085	2,397,455
Cash and cash equivalents	3	73,590	85,916
Total current assets		4,443,504	4,685,994
TOTAL ASSETS		7,157,278	7,369,333
LIABILITIES AND EQUITY			
Liabilities			
Non-current liabilities			
Borrowings	10	1,281,519	451,552
Lease liabilities	9	117,286	112,049
Trade and other payables	11	50,619	102,048
Employees' end of service benefits	12	145,942	141,038
Total non-current liabilities		1,595,366	806,687
Current liabilities			
Due to related parties	18	585	584
Trade and other payables	11	1,726,455	1,877,911
Borrowings	10	2,398,652	3,198,668
Lease liabilities	9	77,084	74,356
Provisions		126,819	126,819
Bank overdrafts		255,563	298,383
Total current liabilities		4,585,158	5,576,721
TOTAL LIABILITIES		6,180,524	6,383,408

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

The independent auditor's review report is set out on page A.
The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information.



Mannai Corporation Q.P.S.C.


Interim condensed consolidated statement of financial position (continued)

At 30 June 2023

	Notes	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
LIABILITIES AND EQUITY (CONTINUED)			
Equity			
Share capital	13	456,192	456,192
Legal reserve	14(a)	1,083,456	1,083,456
Acquisition reserve	14(b)	(588,058)	(588,058)
Other reserve		4,630	4,630
Foreign currency translation reserve	14(c)	(49,106)	(47,758)
Fair value reserve		(32,990)	(32,990)
Retained earnings		102,630	110,453
TOTAL EQUITY		976,754	985,925
TOTAL LIABILITIES AND EQUITY		7,157,278	7,369,333

These interim condensed consolidated financial information were approved by the Board of Directors and authorised for issue on their behalf by the following on **14 August 2023**.


 Ali Yousef Hussein Ali Kamal
 Director


 Keith Higley
 Director



The independent auditor's review report is set out on page A.
 The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information.

Mannai Corporation Q.P.S.C.
Interim condensed consolidated statement of profit or loss
For the six-month period ended 30 June 2023

	Notes	Six-month period ended	
		30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed) Restated*
Revenue	15	2,639,652	2,694,495
Direct costs		(2,171,093)	(2,263,157)
Gross profit		468,559	431,338
Impairment of financial and contract assets		(802)	(9,952)
Other income		8,343	5,688
General and administrative expenses		(197,877)	(247,727)
Selling and distribution expenses		(109,838)	(103,842)
Operating profit		168,385	75,505
Share of results from joint venture companies		4,263	5,508
Share of results from associate companies	6	(7,709)	68
Finance costs		(125,691)	(120,686)
Profit/(loss) before income tax		39,248	(39,605)
Income tax expense		(1,303)	(1,208)
Profit/(loss) from continuing operations		37,945	(40,813)
Profit from discontinued operation	22	-	131,170
Profit for the period		37,945	90,357
Attributable to:			
Shareholders of the Company		37,945	90,238
Non-controlling interests		-	119
		37,945	90,357
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	17	0.08	0.20

*Refer Note 23



The independent auditor's review report is set out on page A.
The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information.

Mannai Corporation Q.P.S.C.

Interim condensed consolidated statement of other comprehensive income

For the six-month period ended 30 June 2023

	Six-month period ended	
	30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)
Net profit for the period	37,945	90,357
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(1,348)	(4,289)
Exchange differences on translation of discontinued operation	-	(101,256)
Valuation of share-based payments of discontinued operation	-	7,041
<i>Items that will not be reclassified to profit or loss</i>		
Change in actuarial difference - net of related taxes of discontinued operation	-	36,449
Total other comprehensive loss for the period	(1,348)	(62,055)
Total comprehensive income for the period	36,597	28,302
Total comprehensive income for the period is attributable to:		
Shareholders of the Company	36,597	28,183
Non-controlling interests	-	119
	36,597	28,302
Total comprehensive income for the period attributable to the shareholders of the Company arises from:		
Continuing operations	36,597	(45,102)
Discontinued operations	-	73,285
	36,597	28,183



Report on review of condensed consolidated interim financial information is set out on page A.
The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information.

Mannai Corporation Q.P.S.C.

Interim condensed consolidated statement of changes in equity

For the six-month period ended 30 June 2023

	Share Capital	Legal Reserve	Acquisition reserve	Other reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to		
								Shareholders of the Company	Non controlling interests	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance as at 31 December 2022 / 1 January 2023 (Audited)	456,192	1,083,456	(588,058)	4,630	(47,758)	(32,990)	110,453	985,925	-	985,925
Profit for the period	-	-	-	-	-	-	37,945	37,945	-	37,945
Other comprehensive income for the period	-	-	-	-	(1,348)	-	-	(1,348)	-	(1,348)
Total comprehensive income for the period	-	-	-	-	(1,348)	-	37,945	36,597	-	36,597
Transactions with shareholders of the Group:										
Dividends approved (Note 16)	-	-	-	-	-	-	(45,619)	(45,619)	-	(45,619)
Other equity movement:	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	(149)	(149)	-	(149)
At 30 June 2023 (Reviewed)	456,192	1,083,456	(588,058)	4,630	(49,106)	(32,990)	102,630	976,754	-	976,754
Balance as at 31 December 2021 / 1 January 2022	456,192	1,083,456	(999,488)	(66,379)	(156,450)	(32,990)	1,911,669	2,196,010	3,851	2,199,861
Profit for the period	-	-	-	-	-	-	90,238	90,238	119	90,357
Other comprehensive income for the period	-	-	-	43,490	(105,545)	-	-	(62,055)	-	(62,055)
Total comprehensive income for the period	-	-	-	43,490	(105,545)	-	90,238	28,183	119	28,302
Transactions with shareholders of the Group:										
Dividends approved (Note 16)	-	-	-	-	-	-	(136,858)	(136,858)	-	(136,858)
Other equity movement:	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	(367)	(367)	593	226
At 30 June 2022 (Reviewed)	456,192	1,083,456	(999,488)	(22,889)	(261,995)	(32,990)	1,864,682	2,086,968	4,563	2,091,531

The independent auditor's review report is set out on page A.

The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information



Mannai Corporation Q.P.S.C.
Interim condensed consolidated statement of cashflows
For the six-month period ended 30 June 2023

	<u>Six-month period ended</u>	
	30 June 2023	30 June 2022
Notes	QR'000 (Reviewed)	QR'000 (Reviewed) Restated*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations	39,248	(39,605)
Adjustments for:		
Depreciation and amortization	87,271	80,711
Impairment loss on financial and contract assets	802	9,952
Provision of obsolete and slow-moving inventories	3,943	3,579
Gain on disposal of property, plant and equipment	(1,425)	(730)
Finance income	(2,325)	(1,730)
Finance costs	125,691	120,686
Share of results from associate and joint venture companies	3,446	(5,576)
Write off of property plant and equipment	8	251
Provision for employees' end of service benefits	12	13,636
Operating profit before working capital changes:	271,388	181,174
Changes in:		
Trade and other receivables	261,695	(387,082)
Inventories	(76,595)	(162,602)
Due from / to related parties (net)	(2,751)	38,648
Trade and other payables	(196,313)	111,456
Cash flows from operating activities	257,424	(218,406)
Finance costs paid	(124,983)	(94,098)
Employees' end of service benefits paid	(9,870)	(8,112)
Social and sports contribution paid	(5,061)	(6,585)
Cash generated from / (used in) operating activities from continuing operations	117,510	(327,201)
Cash used in operating activities from discontinued operations	-	(15,615)
Net cash generated from / (used in) operating activities	117,510	(342,816)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5,290	2,847
Dividends received	6,781	11,349
Additions to goodwill and intangible assets	(21)	(141)
Acquisition of property, plant and equipment	(33,960)	(40,035)
Interest received	2,325	1,730
Cash flows used in investing activities – continuing operations	(19,585)	(24,250)
Cash flows used in investing activities – discontinued operations	-	(278,353)
Net cash flows used in investing activities	(19,585)	(302,603)

The interim condensed consolidated statement of cashflows continues the next page.



The independent auditor's review report is set out on page A.
The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information

Mannai Corporation Q.P.S.C.
Interim condensed consolidated statement of cashflows (continued)
For the six-month period ended 30 June 2023

	Notes	Six-month period ended	
		30 June 2023	30 June 2022
		QR'000 (Reviewed)	QR'000 (Reviewed) Restated*
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal element of lease payments	9	(47,087)	(43,635)
Payment of interest on leases		(4,561)	(4,511)
Dividends paid	16	(45,619)	(136,858)
Net movement in bank overdraft facilities		(42,820)	30,762
Proceeds from borrowings - net		29,951	343,823
Cash flows (used in) / generated from financing activities from continuing operations		(110,136)	189,581
Cash flows used in financing activities from discontinued operations		-	(228,808)
Net cash flows used in financing activities		(110,136)	(39,227)
Net change in cash and cash equivalents		(12,211)	(684,646)
Cash and cash equivalents at beginning of period		85,037	1,037,926
Cash and cash equivalents at end of period including assets held for sale		72,826	353,280
Less cash and cash equivalents at end of period from assets held for sale		-	(257,898)
Cash and cash equivalents at end of period	3	72,826	95,382

Refer note 23



The independent auditor's review report is set out on page A.
The attached notes from 1 to 23 form an integral part of these interim condensed consolidated financial information

Mannai Corporation Q.P.S.C.

Notes to the interim condensed consolidated financial information

For the six-month period ended 30 June 2023

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 Commerce and Industry 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 Stock Exchange.

The Company’s ultimate controlling entity is Qatar Investment & Project Development Holding Company WLL (“QIPCO”).

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 information as at and for the six months ended 30 June 2023 comprise the financial information of the Company and its controlled subsidiaries.

The structure of the Group has not changed since the latest annual consolidated financial statements as at and for the year ended 31 December 2022 (the “latest annual financial statements”).

The interim condensed consolidated financial information of the Group were authorised for issue by the Company’s Board of Directors on the **14 August 2023**.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These interim condensed consolidated financial information are prepared in accordance with IAS 34 “Interim Financial Reporting” under the historical cost convention except for certain financial instruments which have been stated at fair value. They do not include all of the information required for a complete set of IFRS Financial information, therefore should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022. In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the latest annual financial statements.

2.2 USE OF JUDGMENTS AND ESTIMATES

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty and financial risk management objectives and policies were consistent with those described in the Group’s latest annual financial statements.

Mannai Corporation Q.P.S.C.

Notes to the interim condensed consolidated financial information

For the six-month period ended 30 June 2023

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed consolidated financial information are consistent with those applied in the Group's latest annual financial statements as at and for the year ended 31 December 2022, except for what is disclosed below as change in accounting policy.

- **New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as these are not applicable to the interim condensed consolidated financial information.

- **Impact of new standards (issued but not yet adopted by the Group)**

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretation and amendments which will be adopted in the Group's financial information as and when they are applicable.

3. CASH AND CASH EQUIVALENTS

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Cash and cash equivalents	73,590	85,916
Less: Fixed and margin deposits under lien	(764)	(879)
Cash and cash equivalents in the statement of cash flows	<u>72,826</u>	<u>85,037</u>

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. TRADE AND OTHER RECEIVABLES

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Trade receivables	1,142,229	1,310,000
Contract assets	1,033,994	1,108,594
Tax receivables	2,903	3,708
Advances to suppliers	31,630	56,814
Prepayments	55,251	48,325
Deposits	17,923	18,083
Others	32,401	32,431
	<u>2,316,331</u>	<u>2,577,955</u>
Less: Allowance for impairment of receivables and contract assets	(90,550)	(89,792)
	<u>2,225,781</u>	<u>2,488,163</u>

Mannai Corporation Q.P.S.C.

Notes to the interim condensed consolidated financial information

For the six-month period ended 30 June 2023

4. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Current	2,099,085	2,397,455
Non-current	<u>126,696</u>	<u>90,708</u>
	<u>2,225,781</u>	<u>2,488,163</u>

5. INVENTORIES

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited) Restated*
Gold and other jewellerys, net of consignment inventory	1,595,509	1,528,905
Work-in-progress	106,254	44,931
Merchandises, spares and tools	474,024	558,649
Vehicles and heavy equipment	210,968	179,645
Industrial supplies	11,204	10,968
Others	<u>6,776</u>	<u>6,704</u>
	2,404,735	2,329,802
Less: Provision for obsolete and slow-moving items	<u>(135,795)</u>	<u>(133,514)</u>
	<u>2,268,940</u>	<u>2,196,288</u>

6 INVESTMENT IN ASSOCIATE COMPANIES

	30 June 2023 QR'000 (Reviewed)
Beginning of the period	671,962
Dividends received	(6,781)
Share of results from associate companies	(7,709)
Foreign exchange difference	169
End of the period	<u>657,641</u>

7 INTANGIBLE ASSETS

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Beginning of the period / year	936,115	5,819,319
Additions during the period / year	21	1,914
Relating to disposal of a subsidiary	-	(4,884,058)
Amortization for the period / year	(611)	(1,029)
Foreign exchange difference	22	(31)
End of the period / year	<u>935,547</u>	<u>936,115</u>

Mannai Corporation Q.P.S.C.

Notes to the interim condensed consolidated financial information

For the six-month period ended 30 June 2023

8 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings QR '000	Plant and Machinery QR '000	Furniture and fixture QR '000	Motor vehicles QR '000	Assets on Hire QR '000	Capital work-in- progress QR '000	Total QR '000
At 31 December 2022							
Cost	673,929	168,057	307,881	50,507	70,527	7,870	1,278,771
Accumulated depreciation	(194,790)	(129,780)	(214,795)	(29,166)	(32,002)	-	(600,533)
Net book value	<u>479,139</u>	<u>38,277</u>	<u>93,086</u>	<u>21,341</u>	<u>38,525</u>	<u>7,870</u>	<u>678,238</u>
Half year ended 30 June 2023							
Net book value - beginning of the period	479,139	38,277	93,086	21,341	38,525	7,870	678,238
Additions during the period	1,405	1,094	6,575	5,053	14,289	5,544	33,960
Disposals during the period	-	(2,802)	(1,795)	(4,505)	(10,252)	-	(19,354)
Accumulated depreciation related to disposal		2,783	1,493	3,537	7,676	-	15,489
Charge for the period	(10,431)	(3,713)	(15,258)	(2,789)	(7,014)	-	(39,205)
Reclassifications	370	-	3,349	-	-	(3,719)	-
Foreign exchange difference	(86)	-	(907)	1,184	-	(14)	177
Net book value – end of the period	<u>470,397</u>	<u>35,639</u>	<u>86,543</u>	<u>23,821</u>	<u>43,224</u>	<u>9,681</u>	<u>669,305</u>
At 30 June 2023							
Cost	675,444	166,368	314,929	51,036	74,564	9,681	1,292,022
Accumulated depreciation	(205,047)	(130,729)	(228,386)	(27,215)	(31,340)	-	(622,717)
Net book value	<u>470,397</u>	<u>35,639</u>	<u>86,543</u>	<u>23,821</u>	<u>43,224</u>	<u>9,681</u>	<u>669,305</u>

Mannai Corporation Q.P.S.C.

Notes to the interim condensed consolidated financial information

For the six-month period ended 30 June 2023

9 LEASES

(a) Right-of-use assets

	30 June 2023 QR'000 (Reviewed)
At beginning of the period	180,941
Amortisation charge for the period	(47,374)
Additions to right-of-use assets during the period	54,486
Impact from modifications of leases	(371)
Foreign exchange difference	132
	<u>187,814</u>

(b) Lease liabilities

	30 June 2023 QR'000 (Reviewed)
At beginning of the period	186,405
Additions during the period	54,486
Impact from modification of leases	334
Interest expense	4,560
Lease payments	(51,648)
Foreign exchange difference	233
	<u>194,370</u>

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Current	77,084	74,356
Non-current	117,286	112,049
	<u>194,370</u>	<u>186,405</u>

10 BORROWINGS

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Working capital facilities and others	1,662,614	2,309,318
Gold loans	632,765	572,600
Term loans	1,384,792	768,302
	<u>3,680,171</u>	<u>3,650,220</u>

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Current	2,398,652	3,198,668
Non-current	1,281,519	451,552
	<u>3,680,171</u>	<u>3,650,220</u>

Mannai Corporation Q.P.S.C.

Notes to the interim condensed consolidated financial information

For the six-month period ended 30 June 2023

11 TRADE AND OTHER PAYABLES

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Trade payables	779,642	874,594
Tax and social security payable	6,445	7,072
Accrued expenses and others	628,973	843,641
Contract liabilities	359,185	251,589
Dividends payable	2,829	3,063
	<u>1,777,074</u>	<u>1,979,959</u>

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Current	1,726,455	1,877,911
Non-current	50,619	102,048
	<u>1,777,074</u>	<u>1,979,959</u>

12 EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the consolidated statement of financial position are as follows:

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
At 1 January	141,038	133,147
Provided during the year	14,737	24,439
End of service benefits paid	(9,870)	(16,276)
Exchange difference on translation of foreign currency	37	(272)
	<u>145,942</u>	<u>141,038</u>

13 SHARE CAPITAL

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Authorised, issued and fully paid shares of QR 1 each	<u>456,192</u>	<u>456,192</u>

14 RESERVES

a) 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 generally available for distribution except in the circumstances stipulated in the above law.

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For the six-month period ended 30 June 2023

14 RESERVES (CONTINUED)

b) Acquisition reserve

In case of acquisitions or disposal of subsidiaries without change in control, the difference between the decrease/increase in the non-controlling interests and the consideration paid or received is recognised as an 'acquisition reserve' directly in equity attributed to the shareholders of the Company. The reserve is not generally available for distribution and is taken to equity upon the disposal of the related subsidiary.

c) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial information of foreign operations.

15 REVENUE

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

Disaggregation of revenue

Revenue from contracts with customers disaggregated by major products and service lines, is listed in note 20. The Groups revenue disaggregated by geographic location is illustrated below.

	Six-month period ended	
	30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)
Qatar	2,002,413	2,133,899
Other GCC countries	630,996	553,145
Other	6,243	7,451
	<u>2,639,652</u>	<u>2,694,495</u>

16 DIVIDENDS

During the period, the Shareholders approved dividends amounting to QR 45.6 million (2022: QR 136.9 million).

17 EARNINGS PER SHARE

	Six-month period ended	
	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Net profit for the period attributable to shareholders of the Company (in QR'000)	37,945	90,238
Weighted average number of shares at the end of the period (refer note 12)	456,192,000	456,192,000
Basic and diluted earnings per share (QR)	<u>0.08</u>	<u>0.20</u>

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18 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.

Related party balances

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Due from related parties		
Receivable from joint venture and associate companies	1,889	6,335
Long term loans to joint venture and associate companies, net	60,223	53,025
	<u>62,112</u>	<u>59,360</u>

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Current	1,889	6,335
Non-current	60,223	53,025
	<u>62,112</u>	<u>59,360</u>
Due to related parties		
Payable to joint venture and associate companies	585	584

Related party transactions

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

	Six-month period ended	
	30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)
Sales	12,988	20,355
Purchases	469	1,215

Compensation of key management personnel

	Six-month period ended	
	30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)
Short-term benefits	5,791	5,499
Post-employment benefits	455	426
	<u>6,246</u>	<u>5,925</u>

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19 CONTINGENCIES AND COMMITMENTS

a) Contingent liabilities

(i) Litigations position reported in the Group's annual consolidated financial statements as at 31 December 2022 have not materially changed as at 30 June 2023.

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Letters of guarantee	1,733,367	1,778,760
Letters of credit	37,089	11,578
Stand-by letters of credit	50,008	58,050
	<u>1,820,464</u>	<u>1,848,388</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 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Capital commitments		
Capital work in progress – contracted but not provided for	<u>4,424</u>	<u>2,779</u>

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

	30 June 2023 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Contingent liabilities		
Letters of guarantee	59,962	52,057
Letters of credit	12,864	12,766
	<u>72,826</u>	<u>64,823</u>

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For the six-month period ended 30 June 2023

20 SEGMENT REPORTING

By operating segments

Segment	Information Technology QR'000	Auto Group QR'000	Energy & Industrial Markets QR'000	Geotechnical Services QR'000	Logistics QR'000	Travel QR'000	Engineering QR'000	Jewellery Trading QR'000	Others QR'000	Total QR'000
30 June 2023 (Reviewed)										
Revenue	<u>1,306,296</u>	<u>473,983</u>	<u>76,196</u>	<u>20,824</u>	<u>12,147</u>	<u>26,722</u>	<u>44,228</u>	<u>630,996</u>	<u>48,260</u>	<u>2,639,652</u>
Timing of revenue recognition										
At a point in time	887,781	473,983	76,196	11,977	-	26,722	-	630,996	48,260	2,155,915
Over time	<u>418,515</u>	<u>-</u>	<u>-</u>	<u>8,847</u>	<u>12,147</u>	<u>-</u>	<u>44,228</u>	<u>-</u>	<u>-</u>	<u>483,737</u>
	<u>1,306,296</u>	<u>473,983</u>	<u>76,196</u>	<u>20,824</u>	<u>12,147</u>	<u>26,722</u>	<u>44,228</u>	<u>630,996</u>	<u>48,260</u>	<u>2,639,652</u>
Gross profit	<u>178,990</u>	<u>82,947</u>	<u>13,569</u>	<u>2,666</u>	<u>6,364</u>	<u>14,474</u>	<u>7,062</u>	<u>145,214</u>	<u>17,273</u>	<u>468,559</u>
EBITDA	<u>117,986</u>	<u>51,512</u>	<u>3,934</u>	<u>(1,556)</u>	<u>4,376</u>	<u>7,885</u>	<u>(1,736)</u>	<u>66,845</u>	<u>2,964</u>	<u>252,210</u>
30 June 2023 (Reviewed)										
Segment assets	<u>2,049,741</u>	<u>638,477</u>	<u>120,507</u>	<u>51,497</u>	<u>27,699</u>	<u>57,245</u>	<u>96,106</u>	<u>2,068,978</u>	<u>2,047,028</u>	<u>7,157,278</u>
Segment liabilities	<u>1,300,700</u>	<u>205,073</u>	<u>44,747</u>	<u>47,936</u>	<u>6,560</u>	<u>31,391</u>	<u>117,380</u>	<u>1,172,521</u>	<u>3,254,216</u>	<u>6,180,524</u>
<i>Other information</i>										
Share of results and impairment losses from joint venture and associate companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,550</u>	<u>(13,996)</u>	<u>(3,446)</u>
Investments in joint venture and associate companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,092</u>	<u>578,700</u>	<u>687,792</u>

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20 SEGMENT REPORTING (CONTINUED)

By operating segments

Segment	Information Technology QR'000	Auto Group QR'000	Energy& Industrial Markets QR'000	Geotechnical Services QR'000	Logistics QR'000	Travel QR'000	Engineering QR'000	Jewellery Trading QR'000	Others QR'000	Total QR'000
30 June 2022 (Reviewed)										
Revenue	<u>1,446,260</u>	<u>429,594</u>	<u>100,532</u>	<u>26,988</u>	<u>11,990</u>	<u>16,308</u>	<u>48,933</u>	<u>553,145</u>	<u>60,745</u>	<u>2,694,495</u>
Timing of revenue recognition										
At a point in time	968,022	429,594	100,532	11,592	-	16,308	-	553,145	60,745	2,139,938
Over time	478,238	-	-	15,396	11,990	-	48,933	-	-	554,557
	<u>1,446,260</u>	<u>429,594</u>	<u>100,532</u>	<u>26,988</u>	<u>11,990</u>	<u>16,308</u>	<u>48,933</u>	<u>553,145</u>	<u>60,745</u>	<u>2,694,495</u>
Gross profit	<u>180,590</u>	<u>72,379</u>	<u>15,703</u>	<u>4,798</u>	<u>6,808</u>	<u>11,807</u>	<u>4,772</u>	<u>117,154</u>	<u>17,327</u>	<u>431,338</u>
EBITDA	<u>120,159</u>	<u>48,610</u>	<u>7,121</u>	<u>(379)</u>	<u>4,580</u>	<u>7,174</u>	<u>(2,955)</u>	<u>35,073</u>	<u>(57,591)</u>	<u>161,792</u>
31 December 2022 (Audited)										
Segment assets	<u>2,394,333</u>	<u>569,533</u>	<u>115,486</u>	<u>50,440</u>	<u>23,637</u>	<u>37,439</u>	<u>88,887</u>	<u>1,998,415</u>	<u>2,091,163</u>	<u>7,369,333</u>
Segment liabilities	<u>1,489,839</u>	<u>185,509</u>	<u>50,859</u>	<u>41,204</u>	<u>6,389</u>	<u>18,299</u>	<u>103,333</u>	<u>1,113,454</u>	<u>3,374,522</u>	<u>6,383,408</u>
<i>Other information</i>										
Share of results and impairment losses from joint venture and associate companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,094</u>	<u>(5,518)</u>	<u>5,576</u>
Investments in joint venture and associate companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,139</u>	<u>592,697</u>	<u>697,836</u>

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21 FAIR VALUE MEASUREMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise borrowings, bank overdrafts, accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise cash and cash equivalent, accounts and retention receivable, investments at fair value through profit or loss, investments through OCI, Due from related parties and certain other receivables that arise directly from its operation.

Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 30 June 2023	
		Carrying value <i>QR'000</i>	Fair value <i>QR'000</i>
Cash and cash equivalent (i)	Amortised cost	73,590	-
Accounts and other receivables (i)	Amortised cost	1,192,553	-
Financial assets at fair value through other comprehensive income	FVOCI	8,351	8,351
Amount due from related parties (i)	Amortised cost	62,112	-
Bank overdrafts (i)	Other financial liabilities	(255,563)	-
Borrowings	Other financial liabilities	(3,680,171)	(3,680,171)
Accounts payable and accruals (i)	Other financial liabilities	(1,903,893)	-
Amount due to related parties (i)	Other financial liabilities	(585)	-

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21 FAIR VALUE MEASUREMENTS (CONTINUED)

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2022	
		Carrying value <i>QR'000</i>	Fair value <i>QR'000</i>
Cash and cash equivalent (i)	Amortised cost	85,916	-
Accounts and other receivables (i)	Amortised cost	1,360,514	-
Financial assets at fair value through other comprehensive income	FVOCI	8,337	8,337
Amount due from related parties (i)	Amortised cost	59,360	-
Bank overdrafts (i)	Other financial liabilities	(298,383)	-
Borrowings	Other financial liabilities	(3,650,220)	(3,650,220)
Accounts payable and accruals (i)	Other financial liabilities	(2,106,778)	-
Amount due to related parties (i)	Other financial liabilities	(584)	-

(i) 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 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.

22 DISCONTINUED OPERATION

a) Description

On 18 January 2022, the Board of Directors approved entering into exclusive negotiations with a group of investors, in relation to a transaction to dispose of the Group's entire shareholding in Inetum S.A group ("Inetum") engaged in the business of information and communication technology. On 27 April 2022 the Group signed a Share Purchase Agreement ("SPA") with the a buyer to execute the aforementioned transaction.

The subsidiary was sold on 18 July 2022 and is reported in the prior period as a discontinued operation. Financial information relating to the discontinued operation for the prior period to the date of disposal is set out below. For further information about the discontinued operation, please refer to note 35 in the group's annual financial statements for the year ended 31 December 2022.

b) Financial performance

The financial performance for the discontinued operations presented is for the six months ended 30 June 2022.

	30 June 2023 QR'000	30 June 2022 QR'000
Revenue	-	4,544,584
Expenses	-	(4,387,147)
Other income	-	32,493
Profit before income tax	-	189,930
Income tax expense	-	(58,760)
Profit after income tax of discontinued operation	-	131,170

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23 RESTATEMENT

1) *Reclassifications*

During the year ended 31 December 2022, the Group performed an exercise to determine if the presentation of the consolidated financial statements is in accordance with IAS 1 “Presentation of Financial Statements”. This exercise resulted in reclassification of certain line items in the consolidated financial statements.

The comparative figures have been reclassified in order to correct the presentation of the interim condensed consolidated financial statements to comply with IFRS and to improve the quality of information presented. These changes did not have any impact on the previously reported equity and profits of the Group.

In previous periods, the Group presented expenses by mix of function and nature in the income statements. As at 30 June 2023, the presentation of the interim condensed consolidated statement of profit or loss has been changed to present expenses by function as it provides more relevant information to the users of the interim condensed consolidated financial statements. As a result of the changes, depreciation and amortization amounting to QR 80 million relating to continuing operations has been allocated to Direct cost and General and administrative expenses as set out in the table below.

Consolidated statement of profit or loss for the period ended 30 June 2022 – Extract:

Condensed consolidated interim statements of profit or loss - For the period ended 30 June 2022 (extract)	Previously reported figures QR' 000	Reclassification QR' 000	Restated figures QR' 000
Direct cost	<u>(2,205,192)</u>	<u>(57,965)</u>	<u>(2,263,157)</u>
Gross profit	<u>489,303</u>	<u>(57,965)</u>	<u>431,338</u>
General and administrative expenses	<u>(224,981)</u>	<u>(22,746)</u>	<u>(247,727)</u>
Depreciation and amortization	<u>(80,711)</u>	<u>80,711</u>	<u>-</u>

The changes in presentation of the consolidated statement of profit or loss did not impact the Group’s profits, net assets or cash flows for the comparative period.

2) *Consolidated statement of cash flows*

The statement of cash flow was restated to correct the presentation of cash and cash equivalents for the following adjustment:

Following on from the discussions at the IFRS International Interpretation Committee, management concluded that bank overdrafts should not be shown as part of cash and cash equivalents as these facilities are considered financing in nature. As such the cash and cash equivalents balance as of 1 January 2021 increased by an amount of QR 313 million. There is no impact of these changes on the other line items within the interim condensed consolidated statement of cash flows or on the other primary statements as reported in the interim condensed consolidated financial statements.

Condensed consolidated interim statement of cash flows for the period ended 30 June 2022 (extract)	Previously reported figures QR'000	Increase /(Decrease) QR'000	Restated figures QR'000
Cash and cash equivalents at the beginning of the period	<u>724,830</u>	<u>313,096</u>	<u>1,037,926</u>
Net cash flows generated from / (used in) financing activities	<u>5,744</u>	<u>(44,971)</u>	<u>(39,227)</u>
(Cash overdraft)/Cash and cash equivalents at the end of the period	<u>(172,743)</u>	<u>268,125</u>	<u>95,382</u>