

Management Assessment of Internal Controls over Financial Reporting

The Management of Mannai Corporation Q.P.S.C. (the “Company”) on behalf of its Board of Directors has carried an assessment of internal control framework over financial reporting as at 31 December 2023 for its Qatar operations, in accordance with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority’s (QFMA’s) Board pursuant to Decision No. (5) of 2016 (the ‘Code’).

Responsibilities of the Board

The Board of Directors of the Company is responsible for establishing and maintaining effective internal control over financial reporting.

Internal control over financial reporting is a process designed by, or under the supervision of the Company’s Management, and affected by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). It includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with the authorizations of management and Board of Directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

The Board of Directors of the Company is responsible for design, and maintenance of adequate internal controls that when operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Company’s policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA’s law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA’s Board pursuant to Decision No. (5) of 2016.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis.

Further, projections of any evaluation of effectiveness of the internal control over financial reporting to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessment

In this section, we provide description of the scope covered by the assessment of the suitability of the Company’s internal control over financial reporting, including the Significant Processes addressed, control objectives and the approach followed by management to conclude its assessment.

The Company is required to report on the suitability of the design and operating effectiveness of internal controls over financial reporting (“ICOFR”) in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market (the “Code”) issued by the Qatar Financial Markets Authority’s (QFMA’s) Board pursuant to Decision No. (5) of 2016.

We have conducted an evaluation of the design and operating effectiveness of internal control over financial reporting, as of December 31, 2023, based on the framework and the criteria established in *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Our assessment does not extend to any subsidiaries of the Company registered outside the State of Qatar.

Scope of assessment

Our internal control framework over financial reporting is the process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes controls over disclosure in the financial statements and procedures designed to prevent misstatements.

In assessing suitability of design and operating effectiveness of ICOFR, the management has determined Significant Processes as those processes in respect of which misstatement in the stream of transactions or related financial statements amounts, including those caused by fraud or error would reasonably be expected to impact the decisions of the users of financial statements.

The Significant Processes of the Company at 31 December 2023 are: revenue and receivables, investments management, purchasing, payables and payments, cash and treasury management, property and equipment management, inventory management, human resources and payroll, entity level controls, information technology and general ledger and financial reporting.

External Auditors Assessment

In accordance with the Code, PricewaterhouseCoopers Qatar Office, the Company’s independent external audit firm has issued a reasonable assurance report on the management assessment and the suitability of design and operating effectiveness of the Company’s internal control framework over financial reporting.

Conclusion

Based on the ICOFR assessment, the Management has concluded that, as at 31 December 2023, the Company’s internal control over financial reporting is appropriately designed and operating effectively to achieve relevant control objectives based on the criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

This report on Internal Control over Financial Reporting was approved by the Board of Directors of the Qatar operations and were signed on its behalf by:

Santhosh Krishnamoorthy
Chief Financial Officer
6 March 2024

Michael Deeter
Chief Executive Officer
6 March 2024