

Mannai Corporation Q.P.S.C.
Condensed Consolidated Interim Financial Information
30 June 2024

Mannai Corporation Q.P.S.C.

**Condensed Consolidated Interim Financial Information
As at and for the six-month period ended 30 June 2024**

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Independent auditors' report on review of condensed consolidated interim financial information

To the shareholders of Mannai Corporation Q.P.S.C.

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial information of Mannai Corporation Q.P.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss for the six-month period ended 30 June 2024;
- the condensed consolidated statement of other comprehensive income for the six-month period ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 auditors' report on review of condensed consolidated interim financial information (continued)

Mannai Corporation Q.P.S.C.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other matter

The condensed consolidated interim financial information as at and for the six-month period ended 30 June 2023 were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2023, were audited by another auditor, whose review and audit reports dated 14 August 2023 and 06 March 2024 respectively, expressed an unmodified review conclusion and an unmodified audit opinion thereon.

14 August 2024
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

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Mannai Corporation Q.P.S.C.

Condensed consolidated statement of financial position
At 30 June 2024

In thousands of Qatari Riyals

	Notes	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	664,392	669,715
Intangible assets and goodwill	8	937,301	935,526
Right-of-use assets	9(a)	185,393	192,339
Investment properties		41,113	41,364
Equity-accounted investees	6	166,100	154,638
Equity securities at fair value through other comprehensive income		8,290	8,340
Due from related parties	19	49,571	64,252
Trade and other receivables	4	168,892	144,715
Total non-current assets		2,221,052	2,210,889
Current assets			
Inventories	5	2,300,013	2,140,367
Due from related parties	19	5,098	7,711
Trade and other receivables	4	2,165,659	2,208,111
Cash and cash equivalents	3	817,637	495,831
Total current assets		5,288,407	4,852,020
TOTAL ASSETS		7,509,459	7,062,909
LIABILITIES AND EQUITY			
Liabilities			
Non-current liabilities			
Borrowings	10	929,054	1,125,683
Lease liabilities	9(b)	101,929	108,573
Trade and other payables	11	18,129	18,293
Provision for employees' end of service benefits	13	159,048	150,245
Total non-current liabilities		1,208,160	1,402,794
Current liabilities			
Trade and other payables	11	1,610,642	1,793,203
Borrowings	10	3,257,226	2,466,945
Lease liabilities	9(b)	77,175	78,586
Bank overdrafts	3(b)	290,434	202,133
Provisions	12	126,819	126,819
Total current liabilities		5,362,296	4,667,686
Total liabilities		6,570,456	6,070,480
Equity			
Share capital	14	456,192	456,192
Legal reserve	15(a)	1,083,456	1,083,456
Acquisition reserve	15(b)	(588,058)	(588,058)
Other reserve		4,630	4,630
Foreign currency translation reserve	15(c)	(58,595)	(51,807)
Fair value reserve		(32,990)	(32,990)
Retained earnings		74,368	121,006
Total equity		939,003	992,429
TOTAL LIABILITIES AND EQUITY		7,509,459	7,062,909

These condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on their behalf by the following on 14 August 2024.


Ali Yousef Hussein Ali Kamal
Director


Keith Higley
Director

The attached notes on pages from 8 to 20 form an integral part of these condensed consolidated interim financial information.

Mannai Corporation Q.P.S.C.

**Condensed consolidated statement of profit or loss
For the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

	Notes	Six-month period ended	
		30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Revenue	16	2,804,222	2,639,652
Cost of sales		<u>(2,283,988)</u>	<u>(2,171,093)</u>
Gross profit		520,234	468,559
Impairment loss on financial and contract assets	4	(4,981)	(802)
Other income		7,010	8,343
General and administrative expenses		(233,766)	(197,877)
Selling and distribution expenses		<u>(129,368)</u>	<u>(109,838)</u>
Operating profit		159,129	168,385
Share of results from equity accounted investees – net of tax		16,970	(3,446)
Finance costs		<u>(106,369)</u>	<u>(125,691)</u>
Profit before tax		69,730	39,248
Income tax expense		(2,320)	(1,303)
Profit for the period		67,410	37,945
Profit Attributable to:			
Owners of the Company		67,410	37,945
Non-controlling interests		-	-
		<u>67,410</u>	<u>37,945</u>
Earnings per share:			
Basic and diluted earnings per share attributable to owners of the Company (QR)	18	<u>0.15</u>	<u>0.08</u>



The attached notes on pages from 8 to 20 form an integral part of these condensed consolidated interim financial information.

Mannai Corporation Q.P.S.C.

Condensed consolidated statement of other comprehensive income
For the six-month period ended 30 June 2024

In thousands of Qatari Riyals

	Six-month period ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Profit for the period	67,410	37,945
Other comprehensive income		
<i>Items that are or may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(6,788)	(1,348)
Total other comprehensive loss for the period	(6,788)	(1,348)
Total comprehensive income for the period	60,622	36,597
<i>Total comprehensive income for the period is attributable to:</i>		
Owners of the Company	60,622	36,597
Non-controlling interests	-	-
	60,622	36,597



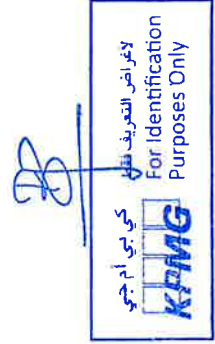
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Mannai Corporation Q.P.S.C.

**Condensed consolidated statement of changes in equity
For the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

	Equity attributable to							Total		
	Share capital	Legal reserve	Acquisition reserve	Other reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings		Owners of the Company	Non-controlling interests
Balance as at 31 December 2023 /										
1 January 2024 (Audited)	456,192	1,083,456	(588,058)	4,630	(51,807)	(32,990)	121,006	992,429	-	992,429
Profit for the period	-	-	-	-	-	-	67,410	67,410	-	67,410
Other comprehensive income for the period	-	-	-	-	(6,788)	-	-	(6,788)	-	(6,788)
Total comprehensive income for the period	-	-	-	-	(6,788)	-	67,410	60,622	-	60,622
Transactions with owners of the Group:										
Dividends approved (Note 17)	-	-	-	-	-	-	(114,048)	(114,048)	-	(114,048)
At 30 June 2024 (Reviewed)	456,192	1,083,456	(588,058)	4,630	(58,595)	(32,990)	74,368	939,003	-	939,003
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 owners of the Group:										
Dividends approved (Note 17)	-	-	-	-	-	-	(45,619)	(45,619)	-	(45,619)
Other equity movement:	-	-	-	-	-	-	(149)	(149)	-	(149)
Other adjustments	-	-	-	-	-	-	102,630	976,754	-	976,754
At 30 June 2023 (Reviewed)	456,192	1,083,456	(588,058)	4,630	(49,106)	(32,990)	102,630	976,754	-	976,754



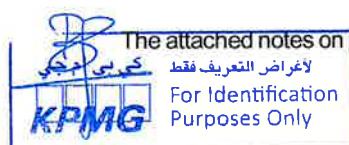
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Mannai Corporation Q.P.S.C.

**Condensed consolidated statement of cashflows
For the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

	Notes	Six-month period ended	
		30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		69,730	39,248
Adjustments for:			
Depreciation and amortization		92,726	87,271
Impairment loss on financial and contract assets		4,980	802
Provision of obsolete and slow-moving inventories		5,340	3,943
Gain on disposal of property, plant and equipment		(1,071)	(1,425)
Finance income		(2,687)	(2,325)
Finance costs		106,369	125,691
Share of results from equity accounted investees – net of tax		(16,970)	3,446
Direct write-off of property plant and equipment	7	18	-
Provision for employees' end of service benefits	13	15,641	14,737
Operating profit before working capital changes:		274,076	271,388
Changes in:			
Trade and other receivables		13,295	261,695
Inventories		(164,986)	(76,595)
Due from / to related parties (net)		17,294	(2,751)
Trade and other payables		(193,217)	(195,010)
Cash flows (used in) / generated from operating activities		(53,538)	258,727
Employees' end of service benefits paid		(6,562)	(9,870)
Income tax paid		(2,320)	(1,303)
Social and sports contribution paid		(4,242)	(5,061)
Cash (used in) / generated from operating activities		(66,662)	242,493
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		5,944	5,290
Dividends received		4,785	6,781
Additions to goodwill and intangible assets		(2,583)	(21)
Acquisition of property, plant and equipment		(42,390)	(33,960)
Interest received		2,687	2,325
Cash flows used in investing activities		(31,557)	(19,585)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal element of lease payments		(51,372)	(47,087)
Payment of interest on leases		(6,624)	(4,561)
Finance costs paid		(89,884)	(124,983)
Dividends paid	17	(114,048)	(45,619)
Net movement in bank overdraft facilities		88,301	(42,820)
Proceeds from borrowings, net of repayments		593,652	29,951
Cash flows generated / (used in) from financing activities		420,025	(235,119)
Net change in cash and cash equivalents		321,806	(12,211)
Cash and cash equivalents at the beginning of the period		495,831	85,037
Cash and cash equivalents at the end of the period	3	817,637	72,826



Mannai Corporation Q.P.S.C.

Notes to the condensed consolidated interim financial information As at and for the six-month period ended 30 June 2024

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 W.L.L. ("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 condensed consolidated interim financial information as at and for the six months ended 30 June 2024 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 2023 (the "latest annual financial statements").

The condensed consolidated interim financial information of the Group were authorised for issue by the Company's Board of Directors on 14 August 2024.

2. Basis of preparation and summary of material accounting policies

2.1 Basis of preparation

The condensed consolidated interim 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 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. 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 condensed consolidated interim 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.

2.3 Material accounting policies

Except as described below, the accounting policies applied in these condensed consolidated interim financial information are consistent with those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

Mannai Corporation Q.P.S.C.

Notes to the condensed consolidated interim financial information As at and for the six-month period ended 30 June 2024

2. Basis of preparation and summary of material accounting policies (continued)

2.3 Material accounting policies (continued)

New standards, amendments, and interpretations

The Group adopted below amended IFRS Accounting Standards that are effective for the annual reporting period beginning on 1 January 2024:

Effective date	New accounting standards or amendment
1 January 2024	<ul style="list-style-type: none">Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 LeasesClassification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial StatementsAmendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

The adoption of above amendments did not have any impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future reporting periods.

Impact of new standards or amendments (issued but not yet effective)

A number of standards and amendments to standards are issued but not yet effective and the Group has not early adopted these in the preparation of the condensed consolidated interim financial information. The standards may have an impact on the Group's condensed consolidated interim financial information, however, the Group is currently evaluating the impact of these new standards. The Group will adopt these new standards on the respective effective dates.

The table below lists the recent changes in the IFRS Accounting Standards that are required to be applied for an annual reporting period beginning on or after 1 January 2025 and that are available for early adoption in annual reporting periods beginning on 1 January 2024.

Effective date	New accounting standards or amendments
1 January 2025	<ul style="list-style-type: none">Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
1 January 2026	<ul style="list-style-type: none">Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
1 January 2027	<ul style="list-style-type: none">IFRS 18 Presentation and Disclosure in Financial StatementsIFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption / effective date deferred indefinitely	<ul style="list-style-type: none">Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

2.4 Global Minimum Tax

Management is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax. The Group mainly operates in Qatar and UAE.

2. Basis of preparation and summary of material accounting policies (continued)**2.4 Global Minimum Tax (continued)**

Through the issuance of its amended tax law No. 11 of 2022, the State of Qatar has committed to introducing global minimum tax with minimum effective tax rate of 15%. Further information in relation to the implementation, compliance or administrative provisions related to the global minimum tax are expected to be issued by the General Tax Authority as amendments to the Executive Regulations of the amended tax law in the near future. Further, in UAE new tax legislation to implement the top-up tax is expected soon.

However, since none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax as at the reporting date, there is no impact on the Group's condensed consolidated interim financial statements as at and for the period ended 30 June 2024.

3. Cash and cash equivalents

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Cash in hand	9,505	9,078
Cash at banks (a)	808,132	486,753
Cash and cash equivalents	817,637	495,831

(a) 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.

(b) As at 30 June 2024, the carrying amount of the bank overdrafts amounted to QR 290.43 million (At 31 December 2023: QR 202.13 million). These bank overdrafts have been excluded from cash and cash equivalents in line with the guidelines issued by IFRS International Interpretation Committee, which specifies that the bank overdrafts can be excluded from cash and cash equivalents when they are not repayable on demand.

4. Trade and other receivables

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Trade receivables	1,309,912	1,333,897
Contract assets	971,569	1,003,666
Tax and social security receivables	4,262	3,772
Advances to suppliers	41,304	29,934
Prepayments	39,217	37,251
Refundable deposits	22,241	19,952
Other receivables	46,213	19,642
	<u>2,434,718</u>	<u>2,448,114</u>
Less: impairment loss on financial and contract assets	<u>(100,167)</u>	<u>(95,288)</u>
	2,334,551	2,352,826

During the current reporting period, the group has recognized QR 4.98 million (For the six-month ended 30 June 2023: QR 0.8 million) on account of impairment loss on financial and contract assets.

Mannai Corporation Q.P.S.C.

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

4. Trade and other receivables (continued)

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	168,892	144,715
Current	<u>2,165,659</u>	<u>2,208,111</u>
	<u>2,334,551</u>	<u>2,352,826</u>

5. Inventories

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Gold and non-gold jewelries, net of consignment inventory	1,722,782	1,676,821
Work-in-progress	28,566	30,835
Merchandises, spares and tools	393,581	357,619
Vehicles and heavy equipment	250,138	165,852
Industrial supplies	10,670	11,081
Others	<u>4,717</u>	<u>4,964</u>
	2,410,454	2,247,172
Less: Provision for obsolete and slow-moving inventories	<u>(110,441)</u>	<u>(106,805)</u>
	<u>2,300,013</u>	<u>2,140,367</u>

6. Equity-accounted Investees

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Investment in associate companies (Note 6.1)	138,021	130,079
Investment in joint venture companies	<u>28,079</u>	<u>24,559</u>
	<u>166,100</u>	<u>154,638</u>

6.1 Investment in associate companies

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Beginning of the period / year	130,079	580,937
Dividends received	(4,785)	(15,743)
Share of results, net	13,392	(9,534)
Waiver of related party balances	-	(15,616)
Impairment loss	-	(410,000)
Effect of foreign currency difference	<u>(665)</u>	<u>35</u>
End of the period / year	<u>138,021</u>	<u>130,079</u>

Mannai Corporation Q.P.S.C.

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

7. Property, plant and equipment

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Net book value at the beginning of period / year	669,715	678,238
Additions	42,390	80,142
Disposals	(16,777)	(58,452)
Charge for the period / year	(42,281)	(80,926)
Accumulated depreciation related to disposals	11,904	50,756
Write off	(18)	(80)
Effect of foreign currency difference	(541)	37
Net book value at the end of period / year	<u>664,392</u>	<u>669,715</u>

(i) During the current period, the Group sold property, plant and equipment with a total net book value of QR 4.87 million (31 December 2023: QR 7.69 million) and recognized a cumulative gain of QR 1.07 million (31 December 2023: QR 2.89 million).

8. Intangible assets and goodwill

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Beginning of the period / year	935,526	936,115
Additions during the period / year	2,583	678
Amortization for the period / year	(735)	(1,264)
Effect of foreign currency difference	(73)	(3)
End of the period / year	<u>937,301</u>	<u>935,526</u>

9. Leases

(a) Right-of-use assets

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At beginning of the period / year	192,339	180,941
Amortization charge for the period	(49,709)	(100,641)
Additions to right-of-use assets during the period	14,901	74,606
Derecognition of right-of-use assets	(1,430)	-
Impact from modifications of leases	29,299	37,633
Effect of foreign currency difference	(7)	(200)
At the end of the period / year	<u>185,393</u>	<u>192,339</u>

Mannai Corporation Q.P.S.C.

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

9. Leases (continued)

(b) Lease liabilities

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At beginning of the period / year	187,159	186,405
Additions during the period / year	14,901	73,760
Derecognition of lease liabilities	(783)	-
Impact from modification of leases	30,006	38,125
Interest expense	6,624	12,821
Lease payments	(57,996)	(125,658)
Effect of foreign currency difference	(807)	1,706
At the end of the period / year	<u>179,104</u>	<u>187,159</u>

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	101,929	108,573
Current	77,175	78,586
	<u>179,104</u>	<u>187,159</u>

10. Borrowings

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Working capital facilities and others	2,160,947	1,483,705
Term loans (a)	1,228,068	1,377,084
Gold loans	797,265	731,839
	<u>4,186,280</u>	<u>3,592,628</u>

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	929,054	1,125,683
Current	3,257,226	2,466,945
	<u>4,186,280</u>	<u>3,592,628</u>

(a) This represents term loan facilities obtained from commercial banks. These loans carry interest at commercial rates, depending on the security and maturity of each facility. The loans are to be repaid at quarterly or semi-annual basis. The Group is subject to covenants relating to the term loans which mainly comprise of maintaining certain debt to equity ratio, debt coverage service ratios and minimum Group's net worth. The Group complied with the covenants at the end of the reporting period. The Group also expects to comply with the covenants for at least 12 months after the reporting date.

(b) Bank borrowings are secured by negative pledge on all assets owned by the Group, standby letter of credit in favor of the banks for gold loans, corporate cross guarantees and fixed and margin deposits.

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11. Trade and other payables

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Trade payables	575,721	715,590
Accrued expenses	693,097	750,954
Contract liabilities	348,191	335,026
Tax payable	9,651	7,690
Dividends payable	2,111	2,236
	<u>1,628,771</u>	<u>1,811,496</u>

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	18,129	18,293
Current	<u>1,610,642</u>	<u>1,793,203</u>
	<u>1,628,771</u>	<u>1,811,496</u>

12. Provisions

Provisions mainly include amounts relating to an indemnity provided to the buyer of Inetum (one of the former subsidiaries of "the Group") under the share purchase agreement.

13. Provision for employees' end of service benefits

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At beginning of the period	150,245	141,038
Provided during the year	15,641	25,645
End of service benefits paid	(6,562)	(16,425)
Effect of foreign currency difference	(276)	(13)
At end of the period	<u>159,048</u>	<u>150,245</u>

14. Share capital

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Authorised, issued and fully paid-up share capital (456,192,000 ordinary shares with nominal value of QR 1 each)	<u>456,192</u>	<u>456,192</u>

15. 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.

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 owners of the Company. The reserve is not generally available for distribution and is taken to retained earnings 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.

16. 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 21. The Group's revenue disaggregated by geographic location is illustrated below.

	Six-month period ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Primary geographical markets		
Qatar	1,994,129	2,002,413
Other GCC countries	802,830	630,996
Others	7,263	6,243
	<u>2,804,222</u>	<u>2,639,652</u>
	Six-month period ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Timing of revenue recognition		
Point in time	2,077,461	1,862,474
Over time	726,761	777,178
	<u>2,804,222</u>	<u>2,639,652</u>

17. Dividends

During the period, the shareholders of the Company approved and paid a cash dividend of QR 0.25 per share aggregating to QR 114.0 million for the year 2023 (30 June 2023: QR 0.10 per share aggregating to QR 45.6 million for the year 2022).

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18. Earnings per share

	Six-month period ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Net profit for the period attributable to owners of the Company	67,410	37,945
Weighted average number of shares at the end of the period (refer note 14)	<u>456,192</u>	<u>456,192</u>
Basic and diluted earnings per share (QR)	<u>0.15</u>	<u>0.08</u>

19. 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 2024 (Reviewed)	31 December 2023 (Audited)
Due from related parties		
Long term loans to equity-accounted investees	49,571	64,252
Receivable from equity-accounted investees	<u>5,098</u>	<u>7,711</u>
	<u>54,669</u>	<u>71,963</u>

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	49,571	64,252
Current	<u>5,098</u>	<u>7,711</u>
	<u>54,669</u>	<u>71,963</u>

Related party transactions

Transactions with related parties included in the Condensed Consolidated Interim Financial Information are as follows:

	Relationship	Six-month period ended	
		30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Sales	Affiliates	<u>8,995</u>	<u>12,988</u>
Purchases	Affiliates	<u>769</u>	<u>469</u>

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**Notes to the condensed consolidated interim financial information
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19. Related parties (continued)

Compensation of key management personnel

	Six-month period ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Short-term benefits	6,030	5,791
Post-employment benefits	391	455
	<u>6,421</u>	<u>6,246</u>

20. Contingencies and commitments

a) Contingent liabilities

(i) Litigations position reported in the Group's annual consolidated financial statements as at 31 December 2023 have not materially changed as at 30 June 2024.

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Letters of guarantee	1,168,684	1,212,604
Letters of credit	25,387	60,752
Stand-by letters of credit	1,074,275	945,268
	<u>2,268,346</u>	<u>2,218,624</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 2024 (Reviewed)	31 December 2023 (Audited)
Capital commitments		
Capital work in progress – contracted but not provided for	<u>8,202</u>	<u>4,455</u>

c) Contingent liabilities and commitments related to equity accounted investees

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Contingent liabilities		
Letters of guarantee	63,757	62,179
Letters of credit	8,811	9,009
	<u>72,568</u>	<u>71,188</u>

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21. Segment reporting

a) Information about reportable segments

Segment	Information Technology	Auto Group	Jewellery Trading
For the period ended 30 June 2024 (Reviewed)			
Revenue	<u>1,347,439</u>	<u>403,986</u>	<u>798,523</u>
Gross profit	<u>192,858</u>	<u>83,846</u>	<u>190,342</u>
EBITDA (1)	<u>124,378</u>	<u>54,258</u>	<u>91,104</u>
Profit before tax	<u>85,049</u>	<u>33,556</u>	<u>23,864</u>
As at 30 June 2024 (Reviewed)			
Segment assets	<u>1,974,618</u>	<u>771,642</u>	<u>2,278,229</u>
Segment liabilities	<u>1,090,858</u>	<u>296,205</u>	<u>1,356,371</u>
Other information			
Share of results and impairment losses from equity-accounted investees	<u>-</u>	<u>-</u>	<u>17,400</u>
Equity- accounted investees	<u>-</u>	<u>-</u>	<u>116,021</u>
For the period ended 30 June 2023 (Reviewed)			
Revenue	<u>1,306,296</u>	<u>473,983</u>	<u>630,996</u>
Gross profit	<u>178,990</u>	<u>82,947</u>	<u>145,214</u>
EBITDA (1)	<u>117,986</u>	<u>51,512</u>	<u>66,845</u>
Profit before tax	<u>74,354</u>	<u>31,539</u>	<u>10,148</u>
As at 31 December 2023 (Audited)			
Segment assets	<u>2,016,857</u>	<u>628,248</u>	<u>2,197,478</u>
Segment liabilities	<u>1,328,123</u>	<u>225,380</u>	<u>1,292,844</u>
Other information			
Share of results and impairment losses from equity-accounted investees	<u>-</u>	<u>-</u>	<u>10,550</u>
Equity- accounted investees	<u>-</u>	<u>-</u>	<u>104,130</u>

(1) Earnings before interest, tax, depreciation and amortisation.

b) Reconciliation of reportable segment profit and loss

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Total profit before tax for reportable segments	142,469	116,041
Loss before tax for other segments	<u>(72,739)</u>	<u>(76,793)</u>
Profit before tax	<u>69,730</u>	<u>39,248</u>

22. Fair values of financial instruments

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.

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 2024		
		Carrying value	Fair value	Fair value hierarchy
Cash and cash equivalents	Amortised cost	817,637	817,637	
Trade and other receivables	Amortised cost	1,378,366	1,378,366	
Equity securities at fair value through other comprehensive income (i)	FVOCI	8,290	8,290	Level 3
Due from related parties	Amortised cost	54,669	54,669	
Bank overdrafts	Other financial liabilities	(290,434)	(290,434)	
Borrowings (i)	Other financial liabilities	(4,186,280)	(4,186,280)	Level 2
Trade and other payables	Other financial liabilities	(1,270,929)	(1,270,929)	
Lease liabilities	Other financial liabilities	(179,104)	(179,104)	

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2023		
		Carrying value	Fair value	Fair value hierarchy
Cash and cash equivalents	Amortised cost	495,831	495,831	
Trade and other receivables	Amortised cost	1,373,491	1,373,491	
Equity securities at fair value through other comprehensive income (i)	FVOCI	8,340	8,340	Level 3
Due from related parties	Amortised cost	71,963	71,963	
Bank overdrafts	Other financial liabilities	(202,133)	(202,133)	
Borrowings (i)	Other financial liabilities	(3,592,628)	(3,592,628)	Level 2
Trade and other payables	Other financial liabilities	(1,468,780)	(1,468,780)	
Lease liabilities	Other financial liabilities	(187,159)	(187,159)	

22. Fair values of financial instruments (continued)

There is no in or out movement from Level 2 and Level 3 fair value measurements. The investments classified under Level 3 category have been fair valued based on information available for each investment.

Valuation techniques

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. The group values investment in equity classified as level 3 based on the net assets valuation method due to the unavailability of market and comparable financial information.

(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.

23. Subsequent events

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