Mannai Corporation Q.P.S.C.

Consolidated Financial Statements

31 December 2024

Mannai Corporation Q.P.S.C.

Consolidated Financial Statements
As at and for the year ended 31 December 2024

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DIRECTORS REPORT

In 2024 Mannai Group revenues remained largely similar to the previous year, and with an increase in Gross Profit to QR 1.04 Billion.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) dipped by 3 percent to QR 589 Million. Borrowing costs were reduced by QR 29 Million by effective treasury management and the gradual easing in interest rates.

Our retail businesses in Qatar, Business to Consumer (B2C) experienced a healthy increase in consumer demand.

Auto sales volume grew by 17% with growth spread across all our vehicle brands especially the recently added agencies for JAC and BYD electric cars.

Travel group had an excellent year and continued to benefit from increased flight bookings, expansion of its international visa business, and a recent pick-up in sales of packaged holidays.

In our Business to Business sector (B2B), our technology division, ICT, delivered an excellent year of product development for our customers although its revenue dipped by 7 percent to QR 2.8 Billion, in comparison with the peak sales level of QR 3.0 Billion achieved in 2023.

A notable feature of ICT during the year was its leadership in promoting and delivering Artificial Intelligence (AI) solutions to its clients in Ministries, Commerce and Industry in Qatar.

ICT entered 2024 with a record high order book of QR 3.7 Billion. From that position of strength the Board initiated a consultancy review of the business to ensure future growth is focused on maintaining the market leadership position of ICT in Qatar with a quality of earnings to support continued expansion in Qatar and to pursue opportunities for growth in neighbouring regional markets.

Performance Summary

Revenue	QR 5.56 Billion
Gross Profit	QR 1.04 Billion
EBITDA	QR 589 Million
Net Profit	QR 171 Million
Earnings per share	QR 0.37

Overall, whilst the profit contribution of our Qatar businesses edged ahead of 2023 there was a reduction in the level of overseas earnings, resulting in an overall Group Net Profit of QR 171 Million slightly ahead of the QR 170 Million Net Profit in the previous year.

With the diversity of our business, including the strength of our retail operations, and our market leading position in ICT, we fully expect to continue to build on Mannai's performance in the year ahead.

Keith Higley
Director

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Independent auditors' report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mannai Corporation Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Independent auditors' report (continued)

Mannai Corporation Q.P.S.C.

Key Audit Matters (continued)

Carrying value of goodwill and other intangible assets with indefinite useful life

See note 3(l), note 4 and note 11 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The Group's assets include goodwill and other intangible assets with indefinite useful life resulting from the previous acquisition of one of the Group's subsidiaries amounting to QR 930 million (2023: QR 930 million) representing 12.6% (2023: 13.0%) of the Group's total assets. We focused on this area because the annual impairment testing of goodwill and intangible assets with an indefinite life, in accordance with IAS 36, is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted cash flow model.	Our audit procedures in this area included, among others: • Obtaining an understanding of the governance process for the impairment assessment, identifying the relevant internal controls and testing their design, implementation, and operating effectiveness. • Involving our valuation specialists to assist us in: - evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGU operate; and - evaluating the appropriateness of the assumptions applied to key inputs such as forecasted sales, EBITDA margins, capital expenditures and long-term growth rate in sales, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and the industry. • Performing our own sensitivity analysis which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact of the currently estimated headroom for the CGU. • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 06 March 2024.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent auditors' report (continued)

Mannai Corporation Q.P.S.C.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Independent auditors' report (continued)

Mannai Corporation Q.P.S.C.

Report on Other Legal Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.

ii) The Company has maintained proper accounting records, and its consolidated financial statements are in agreement therewith.

iii) We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in line with the books and records of the Company.

iv) Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.

v) We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2024.

18 February 2025
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
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Mannai Corporation Q.P.S.C.

Consolidated statement of financial position
As at 31 December 2024

In thousands of Qatari Riyal

	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	12	**668,191**	669,715
Goodwill and other intangibles	11	**937,143**	935,526
Right-of-use assets	15 (a)	**209,253**	192,339
Investment properties	13	**44,068**	41,364
Equity-accounted investees	10	**121,912**	154,638
Equity securities at FVOCI	9	**8,287**	8,340
Trade and other receivables	7	**228,203**	144,715
Due from related parties	30	**60,165**	64,252
Total non-current assets		**2,277,222**	2,210,889
Current assets			
Inventories	8	**2,111,867**	2,140,367
Trade and other receivables	7	**2,257,898**	2,207,347
Due from related parties	30	**4,605**	7,711
Cash and cash equivalents	6	**743,143**	496,595
Total current assets		**5,117,513**	4,852,020
Total assets		**7,394,735**	7,062,909
LIABILITIES AND EQUITY			
Liabilities			
Non-current liabilities			
Borrowings	14	**771,490**	1,125,683
Lease liabilities	15 (b)	**126,568**	108,573
Trade and other payables	16	**53,286**	18,293
Provision for employees' end of service benefits	18	**164,095**	150,245
Total non-current liabilities		**1,115,439**	1,402,794
Current liabilities			
Trade and other payables	16	**1,641,719**	1,793,203
Borrowings	14	**3,216,443**	2,466,945
Lease liabilities	15 (b)	**74,058**	78,586
Bank overdrafts		**237,473**	202,133
Provisions	17	**72,165**	126,819
Total current liabilities		**5,241,858**	4,667,686
Total liabilities		**6,357,297**	6,070,480
Equity			
Share capital	19	**456,192**	456,192
Legal reserve	20 (a)	**495,398**	1,083,456
Acquisition reserve	20 (b)	**-**	(588,058)
Revaluation reserve		**4,630**	4,630
Foreign currency translation reserve	20 (c)	**(59,524)**	(51,807)
Fair value reserve		**(32,990)**	(32,990)
Retained earnings		**173,732**	121,006
Total equity		**1,037,438**	992,429
Total liabilities and equity		**7,394,735**	7,062,909

These consolidated financial statements were approved by the Board of Directors and authorised for issue on their behalf by the following on 18 February 2025.

Ali Yousef Hussein Ali Kamal
Director

Keith Higley
Director

The notes on pages 12 to 58 form an integral part of these consolidated financial statements.

Mannai Corporation Q.P.S.C.

Consolidated statement of profit or loss
For the year ended 31 December 2024

In thousands of Qatari Riyal

	Notes	2024	2023
Continuing operations			
Revenue	22	**5,564,289**	5,669,797
Cost of sales	24	**(4,523,125)**	(4,664,346)
Gross profit		**1,041,164**	1,005,451
Reversal of / (expected credit loss) on trade receivables and contract assets, net of recoveries	7	**1,186**	(6,428)
Other income	25	**19,202**	28,849
General and administrative expenses	26	**(391,454)**	(377,175)
Selling and distribution expenses	27	**(255,820)**	(226,487)
Operating profit		**414,278**	424,210
Finance costs	28	**(225,055)**	(253,681)
Share of results from equity-accounted investees	10.1, 10.2	**18,243**	(2,526)
Impairment losses from equity-accounted investees	10.1	**(31,104)**	(410,000)
Profit / (loss) before income tax		**176,362**	(241,997)
Income tax expense		**(5,310)**	(1,456)
Profit / (loss) from continuing operations		**171,052**	(243,453)
Profit from discontinued operation	34	**-**	413,146
Profit for the year		**171,052**	169,693
Profit attributable to:			
Shareholders of the Company		**171,052**	169,693
Earnings per share - continuing operations:			
Basic and diluted earnings per share for profit attributable to shareholders of the Company from continuing operations (QR)	29	**0.375**	(0.534)
Earnings per share:			
Basic and diluted earnings per share for profit attributable to shareholders of the Company (QR)	29	**0.375**	0.372

The notes on pages 12 to 58 form an integral part of these consolidated financial statements

Mannai Corporation Q.P.S.C.

Consolidated statement of comprehensive income
For the year ended 31 December 2024

In thousands of Qatari Riyal

	Notes	2024	2023
Profit for the year		**171,052**	169,693
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(7,717)**	(4,049)
Equity accounted investee – share of waiver of related party balance		**-**	(15,616)
Total other comprehensive income for the year		**(7,717)**	(19,665)
Total comprehensive income for the year		**163,335**	150,028
Total comprehensive income for the year attributable to shareholders of the company arises from			
Continuing operations		**163,335**	(263,118)
Discontinued operation	34	**-**	413,146
		163,335	150,028
Total comprehensive income for the year is attributable to:			
Shareholders of the Company		**163,335**	150,028

The notes on pages 12 to 58 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2024

In thousands of Qatari Riyal

	Notes	Share capital	Legal reserve	Acquisition reserve	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to shareholders of the Company
Balance as at 1 January 2023		456,192	1,083,456	(588,058)	4,630	(47,758)	(32,990)	19,428	894,900
Profit for the year		-	-	-	-	-	-	169,693	169,693
Other comprehensive income for the year		-	-	-	-	(4,049)	-	(15,616)	(19,665)
Total comprehensive income for the year		-	-	-	-	(4,049)	-	154,077	150,028
Dividends paid	21	-	-	-	-	-	-	(45,619)	(45,619)
Social and sports contribution for 2023		-	-	-	-	-	-	(4,242)	(4,242)
Other adjustments		-	-	-	-	-	-	(2,638)	(2,638)
Balance as at 31 December 2023 / 1 January 2024		**456,192**	**1,083,456**	**(588,058)**	**4,630**	**(51,807)**	**(32,990)**	**121,006**	**992,429**
Profit for the year		-	-	-	-	-	-	**171,052**	**171,052**
Other comprehensive income for the year		-	-	-	-	**(7,717)**	-	-	**(7,717)**
Total comprehensive income for the year		-	-	-	-	**(7,717)**	-	**171,052**	**163,335**
Reclassification	20 (b)	-	**(588,058)**	**588,058**	-	-	-	-	-
Dividends paid	21	-	-	-	-	-	-	**(114,048)**	**(114,048)**
Social and sports contribution for 2024		-	-	-	-	-	-	**(4,278)**	**(4,278)**
Balance as at 31 December 2024		**456,192**	**495,398**	**-**	**4,630**	**(59,524)**	**(32,990)**	**173,732**	**1,037,438**

The notes on pages 12 to 58 form an integral part of these consolidated financial statements.

Mannai Corporation Q.P.S.C.

Consolidated statement of cash flows
For the year ended 31 December 2024

In thousands of Qatari Riyal

	Notes	2024	2023
Cash flows from operating activities			
Profit / (loss) before tax from:			
Continuing operations		**176,362**	(241,997)
Discontinued operation	34	**-**	413,146
Profit before income tax including discontinued operation		**176,362**	171,149
Adjustments for:			
Reversal of / (expected credit loss) on trade receivables and contract assets, net of recoveries	7	**(1,186)**	6,428
Provision for obsolete and slow-moving inventories	8	**5,375**	16,469
Share of results from equity- accounted investees	10.1,10.2	**(18,243)**	2,526
Impairment losses from equity- accounted investees	10.1	**31,104**	410,000
Provision for employees' end of service benefits	18	**29,275**	25,645
Depreciation and amortisation	24,26	**187,557**	182,835
Gain on sale of property, plant and equipment	25	**(2,131)**	(2,889)
Gain on sale of investment properties	25	**-**	(311)
Gain on fair value of investment properties	25	**(2,968)**	(3,295)
Finance costs	28	**225,055**	253,681
Capital gains tax refund from discontinued operation	34	**-**	(413,146)
Write-off and impairment of property, plant and equipment		**391**	80
Finance income		**(5,549)**	(5,149)
Operating profit before working capital changes		**625,042**	644,023
Changes in:			
Trade and other receivables		**(131,639)**	129,788
Inventories		**23,125**	39,452
Amounts due from / to related parties (net)		**7,196**	(13,184)
Trade and other payables		**(204,026)**	(160,757)
Cash flows from operating activities		**319,698**	639,322
Employees' end of service benefits paid	18	**(15,028)**	(16,425)
Income taxes paid		**(4,314)**	(1,027)
Social and sports contribution paid		**(4,242)**	(5,061)
Net cash generated from operating activities		**296,114**	616,809
Cash flows from investing activities			
Dividend received from equity-accounted investees	10	**19,080**	24,065
Additions to intangible assets	11	**(3,495)**	(678)
Additions to property, plant and equipment	12	**(96,459)**	(80,142)
Proceeds from sale of property, plant and equipment		**12,044**	10,585
Proceeds from sale of investment properties		**-**	389
Capital gains tax received		**-**	413,146
Interest received		**5,546**	5,146
Net cash (used in) / generated from investing activities		**(63,284)**	372,511
Cash flows from financing activities			
Net proceeds from / (repayments of) loans and borrowings		**395,305**	(57,592)
Payment of lease liabilities including interest	15(b)	**(113,677)**	(125,658)
Net movement in bank overdrafts		**35,340**	(96,250)
Finance costs paid		**(188,438)**	(253,407)
Dividends paid	21	**(114,048)**	(45,619)
Cash flows generated from / (used in) financing activities		**14,482**	(578,526)

Continued on next page

The notes on pages 12 to 58 form an integral part of these consolidated financial statements.

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Mannai Corporation Q.P.S.C.

Consolidated statement of cash flows (continued)
For the year ended 31 December 2024

In thousands of Qatari Riyal

	Notes	2024	2023
Net change in cash and cash equivalents		**247,312**	410,794
Cash and cash equivalents at the beginning of the year		**495,831**	85,037
Cash and cash equivalents at the end of the year	6	**743,143**	495,831

The notes on pages 12 to 58 form an integral part of these consolidated financial statements.

1. Reporting entity

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 in Doha, State of Qatar. The Company is listed on the Qatar Stock Exchange.

The Company's parent and ultimate parent is Qatar Investment & Project Development Holding Company 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 core activities of the company have not been changed from prior years.

The consolidated financial statements include 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.

			Group's effective shareholding percentage	
	Principal activities	**Country of incorporation**	**2024**	2023
Name of material subsidiaries				
Mannai Trading Company W.L.L.	Trading and services	Qatar	**100**	100
Manweir W.L.L.	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 W.L.L.	Travel	Qatar	**100**	100
Qatar Logistics W.L.L.	Logistics	Qatar	**100**	100
Technical Services Company W.L.L.	Representations	Qatar	**100**	100
Mannai Technologies W.L.L. (formerly known as 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 W.L.L.	Travel	Qatar	**100**	100
Mannai Air Travel W.L.L.	Travel	Qatar	**100**	100
Mannai Holidays and Inbound Tourism W.L.L.	Travel	Qatar	**100**	100
Mannai Mobility W.L.L.	Automotive	Qatar	**100**	100
Damas International Limited L.L.C.	Jewellery Trading	UAE	**100**	100
Damas Jewellery L.L.C	Jewellery Trading	UAE	**100**	100
Damas Jewellery D.M.C.C.	Jewellery Trading	UAE	**100**	100
Premium Investments International L.L.C.	Jewellery Trading	UAE	**100**	100
Bluestone Trading L.L.C. (Formerly Damas SPV Jewellery L.L.C.)	Jewellery Trading	UAE	**100**	100
Damas Jewellery Oman 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 Doha Company W.L.L.	Jewellery Trading	Qatar	**100**	100

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial assets – equity instruments and investment property that are measured at fair value. Details of the Group's material accounting policies are included in Note 3.

These consolidated financial statements have been prepared on a going concern basis. The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows from its future operations and availability of sufficient bank facilities and is satisfied that the Group has the resources to continue in business for the foreseeable future. Also, the management has forecasted that it will continue to meet all key covenants. Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and therefore, the consolidated financial statements continue to be prepared on a going concern basis.

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand or million as appropriate, unless otherwise indicated.

3. Material accounting policies

The consolidated financial statements comprise the financial statements of Mannai Corporation Q.P.S.C. and its subsidiaries (together referred to as the "Group"). The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements, and have been applied consistently by the Group entities, where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

New standards, amendments and interpretations effective from 1 January 2024

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	• Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases • Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements • Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

The amendments listed above did not have a material impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future reporting periods.

The Group applied Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) for the first time in 2024. The amendments introduce new disclosures to help users of the financial statements to assess the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk.

3. Material accounting policies (continued)

New IFRS Standards, amendments and interpretations to standards not yet effective, but available for early adoption

A number of standards and amendments to standards are issued but not yet effective and the Group has not adopted these in the preparation of the interim condensed consolidated financial information. The standards may have an impact on the Group's consolidated financial statements; 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 the IFRS Accounting Standards that are required to be applied for an annual reporting period beginning 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	• Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

1 January 2026	• Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
	• Annual Improvements to IFRS Accounting Standards – Amendments to:
	  • IFRS 1 First-time Adoption of International Financial Reporting Standards;
	  • IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;
	  • IFRS 9 Financial Instruments;
	  • IFRS 10 Consolidated Financial Statements; and
	  • IAS 7 Statement of Cash flows

1 January 2027	• IFRS 18 Presentation and Disclosure in Financial Statements • IFRS 19 Subsidiaries without Public Accountability: Disclosures
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 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of income.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (12 months after the acquisition) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. Material accounting policies (continued)

A. Basis of consolidation (continued)

i. Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases or when the carrying values of associate's and joint venture's companies becomes nil (i.e., the carrying amount is reduced to zero), whichever is earlier. In the absence of any obligation to cover the associate's or joint venture's losses (whether through guarantees, funding, or other commitments), no further losses are recognized after the carrying values of associate's and joint venture's companies reach nil.

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

3. Material accounting policies (continued)

B. Foreign currency (continued)

i. Foreign currency transactions (continued)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of equity securities at FVOCI are recognised in OCI.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Qatari Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Qatari Riyals at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes off only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C. Revenue

Revenue is recognised upon the transfer of promised products or services to customers in an amount that reflects the consideration that the Group expects to receive in exchange for those products or services. The amount of revenue recognised is adjusted for any rebates. For allocating the transaction prices, the Group measures the revenue in respect of each performance obligation of a contract at its standalone selling price. The price that is regularly charged for an item is the best evidence of its standalone selling price.

i. Information and communication technology (ICT)

(a) Sale of ICT equipment

The customers take control of the ICT equipment at the time of delivery by the group. Invoices are generated and revenue is recognised at that point in time. Payment of the transaction price is due immediately when the customer purchases and takes control of the equipment.

(b) Technical assistance, consulting and systems integration billed at cost plus

Revenue arising from these services is recognized as and when the services are rendered. Revenue is determined by reference to the contractually agreed price and to billable chargeable hours spent on the job. Invoices to be raised or deferred income are recognized when billing is out of phase with the stage of completion.

3. Material accounting policies (continued)

C. Revenue (continued)

i. Information and communication technology (ICT) projects (continued)

(c) Networking ICT projects and related services

Revenue from contracts is recognized based on the stage of completion, which is determined as a percentage of the actual costs incurred for materials and labor to the total estimated costs for each contract.

In cases where the outcome of a contract cannot be reliably measured, revenue is only recognized to the extent of costs incurred that are expected to be recoverable.

If it becomes probable that the total costs to complete a contract will exceed the total revenue expected from the contract, any unavoidable costs are recognized immediately.

Billing schedules with customers typically include payments based on performance milestones or periodic progress payments. Invoices are due within the contractually agreed credit period.

(d) Systems integration associated with sales of software packages and hardware

In general, the revenue from these services is recognized separately. The part of the income relating to the software packages and materials is recorded during the delivery to the customer (transfer of control). The revenue of the integration service is recognized overtime based on costs incurred and costs remaining to be incurred.

For software development and related services, where the license and implementation is required to be substantially customised as part of implementation service, the entire arrangement fee for the license and implementation is considered to be a single performance obligation, the performance obligation is satisfied over time as and when the services are rendered since the customer generally obtains control of the work as it progresses and the revenue is recognised using the percentage of completion method as the implementation is completed. For transactions where licence and support services are not substantially customized, the licence revenue is recognized on point in time basis.

The billing schedules agreed with customers include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contracts in conjunction with the original contract, on the basis of which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event the transaction price is revised for the existing obligation, a cumulative adjustment is accounted for.

(e) Annual and periodic maintenance contracts

The turnover relating to these services is recorded on a pro rata basis over the duration of the contract.

(f) ICT Transactions carried out as an agent

When the Group acts as an agent, the revenue relating to the transaction is not recognized. Only the margin achieved on this transaction is recorded under "*Revenue*".

ii. Sale of goods other than ICT products

Customers obtain control of the products sold, which include jewelry and precious stones, automotive and heavy equipment and home appliances, when the goods are delivered to and have been accepted by the customers. Invoices are generated and revenue is recognised at that point in time. Payment of the transaction price is due immediately when the customer purchases and takes control of the product.

3. Material accounting policies (continued)

C. Revenue (continued)

iii. Laboratories testing, drilling, site inspection and related services (geotechnical services)

Laboratory testing and drilling services include laboratory testing of construction materials, environmental analysis, petroleum testing site inspection, and food analysis. For these contracts, the Company has determined that customer does not simultaneously receives and consumes the benefits as and when work is performed, hence, revenue is recognised when the goods and services are delivered to the customers (i.e., at the time of delivery of certificate of testing and its acceptance by the customer). The revenue is recognised at this point.

Drilling and site inspection services include various geo-technical services such as ground investigation, borehole and well drilling services for specific projects. Revenue from these contracts and the associated costs are recognised over time based on the stage of completion of the projects which is determined with reference to the input method. Revenue is recognized over time since the customer consumes the benefits as and when services are rendered by the Group. Invoices are usually issued upon completion of the job. Stage of completion of the projects is determined based on the input method for recognition of revenue.

iv. Logistics and storage services

The Group provides logistics and storage services to its customers. Revenue is measured based on the agreed upon terms as stated according to the contracts with customers. Revenue is recognised equally throughout the duration of the service period. The Group issue invoices on a monthly basis. Nonetheless, for storage services that are less than one month's period, invoices are raised and issued once the service has been completed.

The Group's provides services pertaining to freight forwarding, uploading and delivering by air, ocean and land transport, as well as ports and custom clearance. Company has determined that it operates under the capacity of a principle as the company has primary responsibility for fulfilling the contract. Revenue is recognised when the goods are delivered and accepted by the customer in case of freight forwarding services. For port and custom clearance, revenue is recognised when the goods are cleared at the port. Invoice is issued at a point in time which is the same timing of revenue recognition.

v. Commission income

The Group operates in the capacity of an agent and earns commission income from airline tickets and hotel booking services. Customers obtain benefit when the services are rendered to and have been accepted by the customers. Invoices are generated and revenue is recognised on a net basis at that point in time.

vi. Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. The Group presents a single contract asset or liability representing the net position of the contract as a whole.

vii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group transfers the promised goods or services to the customer.

3. Material accounting policies (continued)

D. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. End of service gratuity plans

The Group provides end of service benefits to its eligible employees in accordance with employment contracts and Qatar Law No. 14 of 2004, the Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The provision is reassessed by management at the end of each year, and any change to the provision for employees' end of service benefits is adjusted in the consolidated statement of profit or loss.

E. Finance costs

Finance costs comprise interest expense on lease liabilities and borrowings recognised in the consolidated statement of profit or loss.Interest expense is recognised using the effective interest method.

F. Inventories

Inventories (other than quantities of gold for which the price is yet to be determined with the bullion banks and the suppliers (Unfixed gold)) are stated at the lower of cost and net realizable value.

Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Merchandises, spare and tools, and industrial supplies	purchase cost on a weighted average cost basis
Vehicles	purchase cost on specific identification basis
Work-in-progress	cost of direct materials, labour and other direct costs
Diamond jewellery, pearl jewellery, watches and precious stones*	purchase cost on specific identification basis
Gold and gold jewellery (own gold)*	purchase cost on a weighted average cost basis

**Making charges related to inventory of own and unfixed gold jewelry is included in inventories.*

3. Material accounting policies (continued)

F. Inventories (continued)

Net realizable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

G. Gold loans and unfixed gold transactions

The Group recognises the unfixed gold inventory at the date of transfer of control over inventory to the Group. Unfixed gold inventory is recognised as inventory on delivery with a corresponding liability based on the forward commodity price. At each reporting date, the unfixed gold inventory is subsequently valued based on the forward commodity price as on that date. Any subsequent changes arising due to the change in the gold prices are adjusted with the cost of the inventory on the basis that such changes are part of the purchase and other costs incurred in bringing the inventory to its present location and condition, with a corresponding impact on the gold loans.

H. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress is stated at cost. When the asset is ready for intended use, it is transferred from capital work-in-progress to the appropriate category under property, plant and equipment and depreciated in accordance with the Group's policies.

ii. Derecognition

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

An item of property, plant and equipment is transferred to inventories at net book values when its value is expected to recover through sale.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iv. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and capital work-in-progress are not depreciated.

3. Material accounting policies (continued)

H. Property, plant and equipment (continued)

iv. Depreciation (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	10-50 years
Plant, machinery and equipment	3-20 years
Furniture and equipment	2-6 years
Motor vehicles	3-5 years
Assets on hire	2-5 years

Maintenance, repairs and minor improvements are charged to the statement of profit or loss as and when incurred. Major improvements and replacements are capitalised.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

I. Goodwill and other intangibles

i. Recognition and measurement

Goodwill and trade name	Goodwill and trade name arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Distribution rights	Distribution rights are measured at cost less accumulated impairment losses.
Other intangible assets	Other intangible assets, including brands, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The useful lives of goodwill, brand and trade name are for indefinite period whilst the estimated useful life of other intangible assets is four (4) years.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3. Material accounting policies (continued)

J. Investment properties

Investment properties comprise properties held for capital appreciation, rental yields or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is carried at fair value and any changes in fair value are presented in the consolidated statement of profit or loss.

Land held for undetermined use is classified as investment property and is not depreciated.

When the development of investment property commences, it is transferred to capital work-in-progress until development is complete, at which time it is transferred to the respective category at fair value.

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income in the period in which the property is derecognised.

K. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset unless it is a trade receivable without a significant financing component or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified at:

- *Amortised cost:* if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- *Fair Value Through Other Comprehensive Income (FVOCI)*: if it meets both of the following conditions and is not designated as at FVTPL:
  - it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group has classified on initial recognition its trade and other receivables, due from related parties and its cash at bank at amortised cost.

3. Material accounting policies (continued)

K. Financial instruments (continued)

Recognition and initial measurement (continued)

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated;

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement

Financial assets - Subsequent measurement and gains and losses

- *Financial assets at amortised cost* - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3. Material accounting policies (continued)

K. Financial instruments (continued)

Subsequent measurement (continued)

Financial assets - Subsequent measurement and gains and losses (continued)

- *Equity investments at Fair Value Through Other Comprehensive Income (FVOCI)* - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

L. Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for accounts and other receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The Group has considered historical information over a period of 2 years and judged that there is no correlation between financial assets in default and financial assets on which payments are 90 days past due. The historical evidence identifies such correlation when payments are more than 180 days past due. As a result, the Group uses a lagging past due indicator and financial instruments are considered to be in default when they are more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. The Group uses a provision matrix to calculate Expected Credit Loss (ECLs) for its financial and contract assets (excluding equity investments). The provision rates for trade receivable and contract assets are based on days past due for the Group's various customer segments that have similar loss pattern. The provision matrix is initially based on the Group's historical observed default rates.

The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. Material accounting policies (continued)

L. Impairment (continued)

Non-derivative financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer or issuer; or
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Material accounting policies (continued)

M. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as a lessor

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the consolidated statement of financial position under property, plant and equipment. Lease income is recognized over the term of the lease on a straight-line basis.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocated the consideration in the contract to each lease component on the basis of its relative standalone prices. The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of lease liability adjusted for any lease payment made at or before the commencement date, plus any initial incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use reflects that the Group will exercise a purchase option. In that case, the right of use will be depreciated over the useful life of the underlying asset which is determined on the same basis as that of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various financing sources and makes certain adjustments to reflect the terms of the lease and the asset leased.

3. Material accounting policies (continued)

M. Leases (continued)

Group as a lessee (continued)

Lease payments included in the measurement of lease liability comprise the following:
- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of right of use asset has been reduced to zero.

Short term leases and leases of low-value assets

The Group has elected not to recognise right of use assets or lease liabilities for leases of low-value assets (QR 18 thousand) and short-term leases (12 months or less). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

N. Social and sports contribution fund

The Group makes contributions equivalents to 2.5% of the of the consolidated net profit for the year into a state social and sports contribution fund for the support of social and sports activities. This is presented in the statement of changes of equity as appropriation of profit in accordance with Law No. 13 of 2008, amended by Law No (8) of 2011.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about areas that involve a higher degree of judgement or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the consolidated financial statements are as follows:

Judgements

Interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group may obtain control, joint control or significant influence over an entity or arrangement. This assessment involves consideration of a variety of factors, including shareholders' voting rights, Board representation and decision-making rights, the existence of any contractual arrangements, and indicators of de facto control. Such classifications have a significant impact on the consolidated financial statements due to the significantly different accounting treatments of subsidiaries, associates and joint arrangements.

4. Use of judgements and estimates (continued)

Judgments (continued)

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date.

The extend of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset.

Estimates

Revenue from contracts with customers

For revenue recognised over time using the input method, accurate estimates of future revenues and costs over the full term of the contracts are required. These significant estimates form the basis for the amount of revenue to be recognised and include the latest updated total revenue, cost adjusted by the typical estimated revisions for similar type of contracts.

These estimates may materially change due to the stage of completion of the contract, changes in the contract scope, costs estimates and customer's plans and other factors. Such judgements are based on the outcome of regular contract reviews by project management, operations and finance staff. Management is of the opinion that at the end of the reporting period, no single contract was of sufficient size or uncertainty, for any outcome different from management estimates, to have a material effect on Group's results for the year.

4. Use of judgements and estimates (continued)

Estimates (continued)

Impairment of non-financial assets (other than inventories)

The Group is required to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before financing income/costs, tax, depreciation and amortisation, calculated as adjusted operating profit before depreciation and amortisation.
- long term growth rates range during discrete period and terminal period; and
- the selection of discount rates to reflect the risks involved.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future Earnings Before Interest Tax Depreciations and Amortisation ("EBITDA").

In the case of goodwill and intangible assets with indefinite lives, at a minimum, such assets are subject to an annual impairment test and more frequently whenever there is an indication that such asset may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those. Refer to Note 11 for further details.

Impairment of inventories

When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. The necessity and setting up of a provision for slow moving and obsolete inventories requires considerable degree of judgment (also refer Note 8).

Impairment of financial assets measured at amortised cost excluding equity investments

The "expected credit loss" (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost (loans receivable, trade receivables, receivables from related parties, dividend receivable, other receivables and cash at bank). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive (also refer Note 7 and Note 33).

Provision and contingent liabilities

The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation, but payment is not probable, or the amount cannot be measured reliably. Also refer Note 17 and Note 31 for further details on provisions and contingent liabilities.

5. Global Minimum Tax

The OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') apply to MNE groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years. Qatar Investment & Project Development Holding Company W.L.L. is the Ultimate Parent Entity of the Group and is domiciled and operates in the State of Qatar. The Ultimate Parent Entity has assessed that it is in scope of the GloBE rules and has determined that the Group is a Partially Owned Parent Entity (POPE).

The Group mainly operates in the State of Qatar ('Qatar'), United Arab Emirates, Kingdom of Bahrain and Kingdom of Saudi Arabia. On 23 December 2024, Qatar's Shura Council has approved specific amendments to provisions of the Income Tax Law promulgated under Law No. 24 of 2018 introducing a top-up tax with a minimum effective tax rate of 15%. The amendments are likely to be effective from 2025 and are currently under final approval. Related regulations on implementation, compliance and administrative provisions are expected to be issued by the General Tax Authority in the near future. The Group will also be subjected to the Pillar Two top-up tax in 2025 in relation to its operations in United Arab Emirates and Kingdom of Bahrain, which have also implemented legislation for a top-up tax where the effective tax rate is below 15%. However, since the newly enacted or amended legislations for top-up tax will be effective only from fiscal years commencing on or after 1 January 2025, there is no current tax impact for the year ended 31 December 2024.

The Group is monitoring the progress of the legislative process and working closely with its Ultimate Parent Company to determine the potential quantitative impact on its consolidated financial statements. The Group, being a POPE, is liable for IIR Pillar Two taxes.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

6. Cash and cash equivalents

	2024	2023
Cash in hand	**4,558**	9,078
Cash at banks	**738,585**	487,517
Cash and cash equivalents in the consolidated statement of financial position	**743,143**	496,595
Less: Fixed and margin deposits under lien	-	(764)
Cash and cash equivalents in the consolidated statement of cash flows	**743,143**	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 banks, management of the Group have assessed that the expected credit loss is insignificant on these balances.

(b) As at 31 December 2024, the carrying amount of the bank overdrafts amounted to QR 237.5 million (2023: QR 202.1 million). These bank overdrafts have been excluded from cash and cash equivalents when they are not repayable on demand.

7. Trade and other receivables

	2024	2023
Trade receivables	**1,494,630**	1,333,897
Contract assets	**923,700**	1,003,666
Advances to suppliers	**47,770**	29,934
Prepayments	**38,619**	37,251
Refundable deposits	**21,089**	19,188
Tax receivables	**2,037**	3,772
Other receivables	**48,598**	19,642
	2,576,443	2,447,350
Less: expected credit loss on trade receivables and contract assets	**(90,342)**	(95,288)
	2,486,101	2,352,062

Presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current	**228,203**	144,715
Current	**2,257,898**	2,207,347
	2,486,101	2,352,062

The movement in allowance for impairment of trade and other receivables including contract assets is as follows:

	Trade receivables and others	Contract assets	Total
At 1 January 2024	**91,197**	**4,091**	**95,288**
Provision during the year	**958**	**7,719**	**8,677**
Recoveries during the year	**(9,863)**	**-**	**(9,863)**
Written off during the year	**(1,982)**	**(1,766)**	**(3,748)**
Exchange difference on translation of foreign currency	**(12)**	**-**	**(12)**
At 31 December 2024	**80,298**	**10,044**	**90,342**

	Trade receivables and others	Contract assets	Total
At 1 January 2023	86,578	3,214	89,792
Provision during the year	5,551	877	6,428
Written off during the year	(903)	-	(903)
Exchange difference on translation of foreign currency	(29)	-	(29)
At 31 December 2023	91,197	4,091	95,288

8. Inventories

	2024	2023
Gold and other non-gold jewelleries*	**1,662,685**	1,676,821
Merchandises, spares and tools	**327,392**	362,583
Work-in-progress	**23,783**	30,835
Vehicles and heavy equipment	**192,937**	165,852
Industrial supplies	**15,196**	11,081
	2,221,993	2,247,172
Less: Provision for obsolete and slow-moving inventories	**(110,126)**	(106,805)
	2,111,867	2,140,367

*Inventories amounting to QR 800.0 million (2023: QR 731.8 million) are pledged as collateral against the borrowings of the same amount (Note 14 (c)).

8. Inventories (continued)

Movements in the provision for obsolete and slow-moving inventories are as follows:

	2024	2023
At 1 January	**106,805**	133,514
Provision during the year (note 24)	**5,375**	16,469
Written-off during the year	**(1,772)**	(42,929)
Reclassification	**-**	(313)
Exchange difference on translation of foreign currency	**(282)**	64
At 31 December	**110,126**	106,805

Provision for obsolete and slow-moving inventories is mainly comprised of provision against non-gold jewellery and precious stones - QR 38.9 million (2023: QR 42.4 million), auto parts - QR 12.0 million (2023: QR 10.3 million) and heavy equipment - QR 12.2 million (2023: QR 10.4 million).

9. Equity securities at fair value through other comprehensive income

The group designated the investments shown below as equity securities at FVOCI because these securities represent the investments that the Group intends to hold for long term for strategic purposes.

	Fair value as at 31 December 2024	Fair value as at 31 December 2023	**Dividend income recognized during 2024**	Dividend income recognized during 2023
Non-quoted securities	**8,287**	8,340	-	-

No investments were disposed of during the year, and there was no transfer of any cumulative gain or loss within equity relating to these investments.

Movement in equity securities at FVOCI during the year was as follows:

	2024	2023
At 1 January	**8,340**	8,337
Exchange difference on translation of foreign currency	**(53)**	3
At 31 December	**8,287**	8,340

10. Equity- accounted investees

	2024	**2023**
Investment in associate companies (Note 10.1)	**93,251**	130,079
Investment in joint venture companies (Note 10.2)	**28,661**	24,559
	121,912	154,638

10. Equity- accounted investees (continued)

10.1. Investment in associate companies

The Group holds investments in the following associate companies:

Name	Country of incorporation	Ownership interest		Carrying amount	
		2024	2023	**2024**	2023
LTC International Qatar L.L.C.	Qatar	**50%**	50%	**18,458**	18,364
Axiom Limited (a)	UAE	**35%**	35%	**-**	31,104
Daiso (Japan) Value Stores L.L.C.	UAE	**51%**	51%	**5,302**	5,755
LTC International General Trading Co.	Kuwait	**50%**	50%	**14,242**	15,662
Daiso Trading W.L.L.	Bahrain	**35%**	35%	**881**	923
Retail World Trading Co. LLC (Daiso Saudi)	KSA	**50%**	50%	**53,341**	57,474
Creative Brands Enterprise SPC (Daiso Oman)	Oman	**23.75%**	23.75%	**1,027**	797
				93,251	130,079

The reconciliations of carrying amount during the current and comparative year are as follows:

	2024	2023
At 1 January	**130,079**	580,937
Share of results from associate companies	**14,081**	(9,534)
Dividends	**(19,080)**	(15,743)
Waiver of related party balances	**-**	(15,616)
Impairment loss	**(31,104)**	(410,000)
Exchange difference on translation of foreign currency	**(725)**	35
At 31 December	**93,251**	130,079

a) Axiom Limited

The Group holds 35% equity in Axiom Limited which is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services, mainly in UAE and KSA markets.

During the current year and previous year, Group has performed an impairment test on its investment in Axiom given the identified impairment indicators, such as the reduced revenue growth and profitability in addition to the suspension of Axiom's plan to shift its strategy from traditional mobile business to utilising the digital distribution platform (Hyke), which was launched in 2021 and was expected to connect suppliers with retailers and provide technology in the supply chain to maximise growth and market share. The Group used the fair value less cost to sell method in accordance with IAS 36 "Impairment of assets" to determine the recoverable amount based on Axiom's expected market value as of the reporting date. As a result, the Group recognized an impairment loss of QR 31.1 million (2023: QR 410.0 million).

The Group has ceased to capture its share of the profit or loss and OCI of Axiom Limited as carrying values of Axiom has reached QR nil (i.e., the carrying amount is reduced to zero). Further, as at the reporting date, management has concluded that no further losses or liabilities are required to be recognized in the absence of any obligation to cover the Axiom losses (whether through guarantees, funding, or other commitments).

10. Equity- accounted investees (continued)

10.1. Investment in associate companies (continued)

b) Retail World Trading Co. LLC (Daiso Saudi)

Retail World Trading Company is based in Dammam, Eastern Province, Saudi Arabia. The Company is involved in the wholesale trade of fast-moving consumer goods. The Group holds 50% equity in Retail World Trading Co. LLC.

	2024	2023
Total assets	**34,094**	40,942
Total liabilities	**(34,994)**	(33,841)
Net assets	**(900)**	7,101
Proportion of Group's interest in associate's net assets	(450)	3,550

Reconciliation of the above summarised financial information to the carrying amount of the interest in Retail World Trading Co. LLC recognised in the consolidated financial statements:

	2024	2023
Net assets of the associate	**(900)**	7,101
Group's ownership interest	**50%**	50%
Share of net assets before goodwill	**(450)**	3,550
Goodwill	**53,791**	53,924
Carrying amount of the Group's interest	**53,341**	57,474

c) Other associates

Although, the Group holds 50% or more equity in Daiso (Japan) Value Stores L.L.C., LTC International Qatar L.L.C. and TCO Damas Associates L.L.C., the Group does not have the power or shared power to govern the financial and operating activities of these investees and thus, does not have control or joint control in these entities.

10.2. Investment in joint venture companies

The Group has investments in the following joint venture companies:

		Ownership interest		**Carrying amount**	
Name	**Country of incorporation**	**2024**	2023	**2024**	2023
Engie Cofely Mannai Facility Management W.L.L. (i)	Qatar	**51%**	51%	**16,958**	16,810
Saint-Gobain PAM and Mannai L.L.C. (ii)*	Qatar	**51%**	51%	**2,593**	2,593
Roberto Coin Middle East L.L.C. (iii)	UAE	**51%**	51%	**9,110**	5,156
				28,661	24,559

**under liquidation*

Principal activities of the Group's joint ventures are as follows:

(i) Engie Cofely Mannai Facility Management W.L.L. (previously known as Cofely Besix Mannai Facility Management W.L.L.) is engaged in facilities and asset management business. Subsequent to the reporting date, the Group entered into an arrangement with the joint venture partner, Facility management Q Holding B.V., to acquire it's 49% additional stake in the joint venture. Post this transaction, the Group will own 100% interest in Engie Cofely Mannai Facility Management W.L.L., giving it absolute control over the entity.

10. Equity- accounted investees (continued)

10.2. Investment in joint venture companies (continued)

(ii) Saint-Gobain PAM and Mannai L.L.C. is engaged in distribution of ductile iron pipes, fittings and valves.

(iii) Roberto Coin Middle East L.L.C. is engaged in trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Although the Group holds 51% equity in all of the above entities, decisions need unanimous consent of both parties and as such the investments are classified as joint ventures. Reconciliation of carrying amounts during the current year and comparative year are as follows:

	2024	2023
At 1 January	**24,559**	25,874
Share of results from joint ventures	**4,162**	7,008
Dividends	**-**	(8,322)
Exchange difference on translation of foreign currency	**(60)**	(1)
At 31 December	**28,661**	24,559

(Notes to consolidated financial statements are continued on next page).

11. Goodwill and other intangibles

	Goodwill	Trade name	Distribution rights	Other intangible assets*	Total
Cost					
At 1 January 2023	530,358	670,000	24,330	21,279	1,245,967
Additions	-	-	-	678	678
Exchange difference on translation of foreign currency	-	-	-	(9)	(9)
At 31 December 2023 / 01 January 2024	**530,358**	**670,000**	**24,330**	**21,948**	**1,246,636**
Additions	-	-	-	**3,495**	**3,495**
Exchange difference on translation of foreign currency	-	-	-	**(83)**	**(83)**
At 31 December 2024	**530,358**	**670,000**	**24,330**	**25,360**	**1,250,048**
Accumulated Impairment/ amortisation					
At 1 January 2023	270,572	-	24,330	14,950	309,852
Amortisation charge	-	-	-	1,264	1,264
Exchange difference on translation of foreign currency	-	-	-	(6)	(6)
At 31 December 2023 / 01 January 2024	**270,572**	-	**24,330**	**16,208**	**311,110**
Amortisation charge	-	-	-	**1,795**	**1,795**
Exchange difference on translation of foreign currency	-	-	-	-	-
At 31 December 2024	**270,572**	-	**24,330**	**18,003**	**312,905**
Net carrying amounts					
At 31 December 2024	**259,786**	**670,000**	-	**7,357**	**937,143**
At 31 December 2023	259,786	670,000	-	5,740	935,526

*Other intangible assets include brands, patents and trademarks, that are acquired by the Group and have finite useful lives.

The trade name is deemed to be an intangible asset with an indefinite useful life, and it relates to the Group's subsidiary Damas that operates in the jewellery segment. Management views the asset to have an indefinite life as use of the trade name is not restricted in anyway or over any time period, is not reliant on any other finite life asset in the business.

11. Goodwill and other intangibles (continued)

a) Impairment testing of goodwill and trade name

	Goodwill	Trade name
Cash-generating unit		
Damas International limited	**259,786**	**670,000**

Key assumptions used in value in use calculations

The Group tests whether goodwill and trade name has suffered any impairment on an annual basis. The trade name is used to support the sale of products and does not generate revenues independently. Therefore, management has allocated both goodwill and trade name to the relevant CGUs and tested for impairment together.

The recoverable amount of the cash-generating units (CGUs) was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

Assumption	Value for 2024	Value for 2023	Approach used to determine values
Average EBITDA margin	**10%**	11%	This is the average EBITDA margin used to forecast cash flows for the five-year projected period. The margin is consistent with industry and historical results.
Pre-tax discount rate	**9%**	10%	Weighted Average Cost of Capital

Sensitivity testing

Using the above assumptions, the recoverable amount exceeded the carrying amount by QR 1,178 million as at 31 December 2024 (2023: QR 720 million).

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. For the recoverable amount to equal the carrying amount, the average EBITDA margin would be 8% and the discount rate would be 11% independently.

(Notes to consolidated financial statements are continued on next page)

12. Property, plant and equipment

	Land and buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Assets on hire	Capital work-in-progress	Total
Cost							
At 1 January 2024	678,253	140,217	327,057	53,297	77,548	14,621	1,290,993
Additions	1,213	3,910	29,222	10,882	22,767	28,465	96,459
Disposals	-	(7,071)	(2,769)	(7,300)	(20,886)	-	(38,026)
Reclassifications	-	2,891	21,608	104	(104)	(24,949)	(450)
Write-offs	-	(450)	(31,012)	(68)	-	-	(31,530)
Exchange difference on translation of foreign currency	(364)	(146)	(1,914)	(32)	-	(80)	(2,536)
At 31 December 2024	679,102	139,351	342,192	56,883	79,325	18,057	1,314,910
Accumulated depreciation							
At 1 January 2024	215,537	106,198	239,508	29,274	30,761	-	621,278
Depreciation charge for the year	21,457	7,679	36,925	6,576	14,081	-	86,718
Disposals	-	(6,835)	(2,639)	(5,581)	(13,058)	-	(28,113)
Write-offs	-	(450)	(30,621)	(68)	-	-	(31,139)
Exchange difference on translation of foreign currency	(279)	(158)	(1,567)	(21)	-	-	(2,025)
At 31 December 2024	236,715	106,434	241,606	30,180	31,784	-	646,719
Net carrying amount							
At 31 December 2024	442,387	32,917	100,586	26,703	47,541	18,057	668,191

In thousands of Qatari Riyal

12. Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Assets on hire	Capital work-in-progress	Total
Cost							
At 1 January 2023	673,929	168,057	307,881	50,507	70,527	7,870	1,278,771
Additions	2,315	3,575	21,009	9,389	28,114	15,740	80,142
Disposals	-	(28,090	(2,701)	(6,569)	(21,092)	-	(58,452)
Reclassification from capital work-in-progress	2,345	(9)	6,678	-	-	(9,014)	-
Write-offs	-	(54)	(4,208)	-	-	-	(4,262)
Exchange difference on translation of foreign currency	(336)	(3,262)	(1,602)	(30)	(1)	25	(5,206)
At 31 December 2023	678,253	140,217	327,057	53,297	77,548	14,621	1,290,993
Accumulated depreciation							
At 1 January 2023	194,790	129,780	214,795	29,166	32,002	-	600,533
Depreciation charge for the year	20,975	7,671	31,797	6,329	14,154	-	80,926
Disposals	-	(27,932)	(2,414)	(5,017)	(15,393)	-	(50,756)
Write-offs	-	(54)	(4,128)	-	-	-	(4,182)
Exchange difference on translation of foreign currency	(228)	(3,267)	(542)	(1,204)	(2)	-	(5,243)
At 31 December 2023	215,537	106,198	239,508	29,274	30,761	-	621,278
Net carrying amount							
At 31 December 2023	462,716	34,019	87,549	24,023	46,787	14,621	669,715

13. Investment properties

Investment properties comprise investment in lands and buildings acquired by the Group's subsidiary "Damas" to earn rental income and for capital appreciation from such properties. The movement in investment properties during the year was as follows:

	2024	2023
At 1 January	**41,364**	38,139
Fair value gain	**2,968**	3,295
Disposals	**-**	(82)
Exchange difference on translation of foreign currency	**(264)**	12
At 31 December	**44,068**	41,364

The Group's investment properties has been arrived on the basis of a valuation carried out by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on a combination of an income approach and a market comparable approach that reflected recent transaction prices for similar properties. The valuation approach was based on an individual assessment for each property type. The fair value measurement for all investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Changes in fair values of investment properties are recognized as gains in consolidated statement of profit or loss and included in 'other income'. All gains are unrealized.

14. Borrowings

	2024	2023
Working capital facilities and others (a)	**2,107,121**	1,483,705
Term loans (b)	**1,080,755**	1,377,084
Gold loans (c)	**800,057**	731,839
	3,987,933	3,592,628

Presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current	**771,490**	1,125,683
Current	**3,216,443**	2,466,945
	3,987,933	3,592,628

Notes:

(a) During the current and previous year, the Group obtained short term loans from commercial banks mainly to finance working capital requirements. These loans carry interest at commercial rates depending on the security and maturity of each facility. These loans have a varying maturity between 6 to 12 months and are denominated in Qatari Riyals.

(b) 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 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 net worth. The Group complied with the covenants at the end of the year. The Group also expects to comply with the covenants for at least 12 months after the reporting date. The loans are to be repaid at quarterly or semi-annual basis. Some of these interest-bearing loans and borrowings are secured by:

- Fixed deposits amounting to QR 1,794 thousand (2023: QR 764 thousand)
- Negative pledge on all the assets owned by the Group; and
- Corporate cross guarantees

14. Borrowings (continued)

(c) In addition to the above loans, one of the Group's foreign subsidiaries has outstanding gold loans as at 31 December 2024 received from bullion banks on an unfixed basis aggregating to 2,656 Kgs of gold (2023: 3,049 Kgs). As at 31 December 2024, the aggregate bank borrowings including the above unfixed gold loans amount to QR 800.0 million (2023: QR 731.8 million). These gold loans are covered by way of stand-by-letters of credit issued in favor of these bullion banks which are presented as part of the Group's contingencies and commitments disclosure in Note 31.

15. Leases

The Group leases several assets which comprise of building, such as office buildings, showrooms, warehouses, and properties (for accommodation). The average lease term is 2 to 5 years with an option to renew the lease after that date. Lease payments are renegotiated on regular basis to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Information about leases for which the Group is a lessee is presented below:

a) Right-of-use assets

	2024	2023
At 1 January	**192,339**	180,941
Amortisation charge for the year	**(99,044)**	(100,641)
Additions during the year	**70,339**	74,606
Derecognition during the year	**(3,245)**	-
Impact from modifications of leases (i)	**46,770**	37,633
Other adjustments	**2,131**	-
Effect of foreign currency difference	**(37)**	(200)
At 31 December	**209,253**	192,339

b) Lease liabilities

	2024	2023
At 1 January	**187,159**	186,405
Additions during the year	**70,339**	73,760
Derecognition during the year	**(4,184)**	-
Impact from modification of leases (i)	**46,770**	38,125
Interest expense	**15,129**	12,821
Lease payments	**(113,677)**	(125,658)
Effect of foreign currency difference	**(910)**	1,706
At 31 December	**200,626**	187,159

15. Leases (continued)

b) Lease liabilities (continued)

Presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current	**126,568**	108,573
Current	**74,058**	78,586
	200,626	187,159

(i) The Group and the respective lessors, in case of certain leases, have agreed to amend the lease considerations while the other terms are unchanged. At the effective date of the modification, the Group remeasured the lease liabilities 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 liabilities and the lease liabilities immediately before the modification as an adjustment to the right-of-use assets.

c) Amounts recognised in profit or loss

	2024	2023
Short-term and low-value lease rentals	**36,222**	21,152
Interest on lease liabilities	**15,129**	12,821
Amortisation of right-of-use assets	**99,044**	100,641
Gain on derecognition of right-of-use assets and lease liabilities	**(939)**	-
	149,456	134,614

16. Trade and other payables

	2024	2023
Trade payables (a)	**682,222**	715,590
Accrued expenses	**666,809**	750,954
Contract liabilities (b)	**333,797**	335,026
Tax payable	**10,160**	7,690
Dividend payable	**2,017**	2,236
	1,695,005	1,811,496

Presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current portion	**53,286**	18,293
Current portion	**1,641,719**	1,793,203
	1,695,005	1,811,496

(a) The trade payables balance includes an amount of QR 62.7 million (2023: QR 123.0 million) in respect of supplier credit arrangement. The Group includes the amount subject to this arrangement within trade payables because the nature and function of these payables remains same as those of other trade payables. All payables under the arrangement are classified as current as at 31 December 2024 and 2023.

(b) The contract liabilities will be recognised as revenue when the obligation to transfer goods or services are fulfilled, which is expected to be in the next financial year (also refer note 22).

17. Provisions

The Group (seller) entered in a Share Purchase Agreement (SPA) with Granite France BIDCO (buyer) for the sale of Inetum S.A. (Group's subsidiary) on 27 April 2022 which specifies that the seller shall be liable for ninety percent (90%) of amount in case of loss suffered by the Buyer resulting from or arising out of or in connection with any of the matters disclosed in the SPA termed as specific loss claim, however the liability of the same shall be capped at an aggregate amount of EUR 19.8 million for litigation matters, and an aggregate amount of EUR 12 million for tax matters. During the year, EUR 7 million equivalent to approximately QR 28 million was utilized and paid against such provisions and an equivalent amount was released to income statement considering no longer payable. In consultation with legal advisors, the Group retained a provision of QR 72 million as at the reporting date (2023: QR 127 million) against the remaining loss claim cases due to no major development in position compared to the last year.

18. Provision for employees' end of service benefits

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

	2024	2023
At 1 January	**150,245**	141,038
Provided during the year	**29,275**	25,645
End of service benefits paid	**(15,028)**	(16,425)
Effect of foreign currency difference	**(397)**	(13)
At 31 December	**164,095**	150,245

19. Share capital

	2024	2023
Authorised, issued and fully paid-up share capital (456,192,000 ordinary with nominal value of QR 1 each)	**456,192**	456,192

20. 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 Company 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. (Please refer note b below).

(b) Acquisition reserve

This reserve pertained to acquisition of subsidiaries (primarily from acquisition of Damas International L.L.C.) without change in control, being the difference between the non-controlling interests being acquired and the consideration paid, and was directly recognised in equity attributed to the shareholders of the Company.

During the year, following the Board's approval, the Company has reclassified the negative acquisition reserve balance of QR 588 million against the existing legal reserve balance. This reclassification has not resulted in distributable profits and the Company continues to maintain minimum required level in compliance with Qatar Commercial Companies Law in connection with legal reserve.

(c) Foreign currency translation reserve

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

21. Dividends

At the Board Meeting on 18 February 2025, a dividend in respect of the profit for the year ended 31 December 2024 of QR 0.25 per share amounting to a total dividend of QR 114 million was proposed, subject to the approval of Company's Annual General Meeting. These consolidated financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

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 (2023: QR 0.10 per share aggregating to QR 45.6 million for the year 2022).

22. Revenue

The Group's revenue is derived mainly from contracts with customers.

	2024	2023
Revenue from contracts with customers	**5,564,289**	5,669,797

A. Disaggregation of revenue from contracts with customers

Revenue from contracts with customers disaggregated by major products and service lines, and primary geographical markets is listed in Notes 23. The ten top customers of the Group represent nearly 12% of the consolidated turnover for 2024 (2023: 19%). None of these ten customers alone represents more than 10% of the turnover of the Group.

	2024	2023
Primary geographical markets		
Qatar	**4,103,826**	4,339,478
Other GCC countries	**1,445,102**	1,317,220
Others	**15,361**	13,099
	5,564,289	5,669,797
Timing of revenue recognition		
Point in time	**3,977,197**	4,029,080
Over time	**1,587,092**	1,640,717
	5,564,289	5,669,797
Major products/ service lines		
Information and communication technology	**2,772,553**	2,998,429
Jewellery	**1,435,504**	1,312,713
Automotive and heavy equipment	**845,126**	876,101
Energy and industrial markets	**200,108**	187,094
Engineering services	**109,217**	89,353
Travel agency services	**68,765**	55,158
Geotechnical services	**56,236**	48,877
Logistics and storage services	**22,036**	24,330
Others	**54,744**	77,742
	5,564,289	5,669,797

B. Contract balances

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

	2024	2023
Contract assets	**924,400**	1,003,666
Contract liabilities	**333,797**	335,026

22. Revenue (continued)

B. Contract balances (continued)

The contract assets primarily relate to the Group's IT segments for rights to consideration for work completed but not billed at the reporting date. Contract assets have decreased as the group has provided fewer services ahead of the agreed payment schedules for fixed-price contracts.

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 contract liabilities primarily relate to the advance consideration received from customers. As at 31 December 2024, the contract liabilities amounted to QR 333 million (2023: QR 335 million). This will be recognised as revenue when the obligation to transfer goods or services are fulfilled, which is expected to be in the next twelve months.

23. Operating segments

a) Information about segments

The Group has following strategic divisions which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technologies and marketing strategies. The following summary describes the operations of each reportable segment.

Reportable segment	Operations
Information technology and networking	Provides technology solutions for IT infrastructure for small and medium enterprise, government, semi-government & service-provider customers.
Auto group	Generates its revenue from sale of passenger and commercial vehicles, heavy equipment and other automotive maintenance services.
Jewellery trading	This segment is led by Damas International Ltd, based in Dubai, as the leading jewellery retailer in the GCC. The products offered include gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones, sold on wholesale and retail basis.
Other segments	Other operational segments include following divisions: • Energy and Industrial Markets Division which provides local expertise and supplies machinery, tools, and spare parts to the oil, gas, construction, infrastructure, and utilities sectors. • Geotechnical Services providing ground investigation, borehole drilling, and laboratory testing services for both international and local clients. • Logistics Division handling sea, air, and international road freight forwarding, along with customs clearance, domestic transportation, and warehousing services, including chemical storage and workshops. • Travel Segment specializes in business and leisure travel arrangements, including visa processing and full-service travel solutions. • Engineering Segment provides fabrication, welding, calibration, and precision testing services, as well as electrical repair and heavy mechanical instrument maintenance, while supplying equipment and services for the oil industry. • Other Segments supplies home appliances, electronics, mobile telecom handsets, accessories, and telecom services.

23. Operating segments (continued)

a) Information about segments (continued)

Management monitors the operating results of the operating segments to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses that are attributed in line with the assets and liabilities allocated.

The following table summarises the performance of the operating segments. Segments profit/ (loss) before tax is used to measure the performance because management believes that this information is the most relevant in evaluating the results of respective segments relative to other entities that operate in same industries

	Reporting segments					
	Information technology	Auto group	Jewellery	Total reportable segments	All other segments	Total
31 December 2024						
Revenue	2,772,553	845,126	1,435,504	5,053,183	511,106	5,564,289
Gross profit	384,501	173,440	353,335	911,276	129,888	1,041,164
Profit / (loss) before tax	145,067	66,338	10,832	222,237	(45,875)	176,362
Other material information						
Finance costs	(55,201)	(23,712)	(50,456)	(129,369)	(95,686)	(225,055)
Depreciation and amortization	(27,301)	(20,633)	(88,888)	(136,822)	(50,735)	(187,557)
Share of results and impairment losses from equity accounted investees	-	-	18,096	18,096	(30,957)	(12,861)
Segment assets	1,969,771	772,592	2,249,203	4,991,566	2,403,169	7,394,735
Segment liabilities	1,198,041	232,605	1,342,134	2,772,780	3,584,517	6,357,297
Major operating countries	**Qatar**	**Qatar**	**UAE**	**Qatar**	**Qatar / UAE**	

23. Operating segments (continued)

a) Information about segments (continued)

	Reporting segments					
	Information technology	**Auto group**	**Jewellery**	**Total reportable segments**	**All other segments**	**Total**
31 December 2023						
Revenue	2,998,429	876,101	1,312,713	5,187,243	482,554	5,669,797
Gross profit	416,874	159,079	304,869	880,822	124,629	1,005,451
Profit / (loss) before tax	202,668	57,485	21,815	281,968	(523,965)	(241,997)
Other material information						
Finance costs	(58,124)	(20,817)	(45,552)	(124,493)	(129,188)	(253,681)
Depreciation and amortization	(28,892)	(19,365)	(81,620)	(129,877)	(52,958)	(182,835)
Share of results and impairment losses from equity accounted investees	-	-	23,020	23,020	(435,546)	(412,526)
Segment assets	2,016,857	628,248	2,197,478	4,842,583	2,220,326	7,062,909
Segment liabilities	1,328,123	225,380	1,292,844	2,846,347	3,224,133	6,070,480
Major operating countries	Qatar	Qatar	UAE	Qatar	Qatar / UAE	

24. Cost of sales

	2024	2023
Direct material and service costs	**4,052,050**	4,209,353
Direct staff costs	**298,016**	270,716
Depreciation and amortisation	**131,787**	132,777
Provision for obsolete and slow-moving inventories (Note 8)	**5,375**	16,469
Other direct costs	**35,897**	35,031
	4,523,125	4,664,346

25. Other income

	2024	2023
Gain on sale of property, plant and equipment	**2,131**	2,889
Gain on sale of investment properties	**-**	311
Gain on fair value of investment properties	**2,968**	3,295
Foreign exchange gain	**5,032**	3,465
Miscellaneous income	**9,071**	18,889
	19,202	28,849

26. General and administrative expenses

	2024	2023
Staff costs	**227,874**	221,714
Depreciation and amortisation	**55,770**	50,058
Legal and professional fees (i)	**41,196**	37,205
Repairs and maintenance expenses	**24,615**	21,818
Bank charges	**11,614**	11,372
Travelling expenses	**10,913**	11,270
Communication expenses	**9,254**	11,563
Other administrative expenses and allowances	**10,218**	12,175
	391,454	377,175

(i) The legal and professional fees include fees for audit and audit related services of the Group amounting to QR 1.14 million, and services other than audit amounting to QR 0.2 million.

27. Selling and distribution expenses

	2024	2023
Staff costs	**163,782**	149,988
Advertisement and other promotion expenses	**64,755**	59,165
Short-term and low-value lease rentals	**27,283**	17,334
	255,820	226,487

28. Finance costs

	2024	2023
Interest on borrowings	**209,926**	240,860
Finance charges paid for lease liabilities	**15,129**	12,821
	225,055	253,681

29. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit for the year attributable to the shareholders of the Company	**171,052**	169,693
Weighted average number of shares outstanding during the year (refer Note 19)	**456,192,000**	456,192,000
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company (QR)	**0.375**	(0.534)
Basic and diluted earnings per share (QR) attributable to the shareholders of the Company	**0.375**	0.372

30. Related party disclosures

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group and entities in which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

(a) Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

Nature	**Relationship**	**2024**	2023
Sales	Under common control	**11,787**	32,041
Purchases	Under common control	**857**	1,150

(b) Due from related parties

	2024	2023
Receivable from joint venture companies	**4,605**	7,711
Long term loans to equity accounted investees	**60,165**	64,252
	64,770	71,963
Presented in the statement of financial position as follows:		
Non-current	**60,165**	64,252
Current	**4,605**	7,711
	64,770	71,963

Long term loans to equity-accounted investees are unsecured and carry interest as per the contractual arrangements between the respective counterparties. The non-current portion of these loans are not expected to be recalled within a period of twelve months from the reporting date.

Outstanding balances at 31 December 2024 and 2023 arose in the normal course of business. The credit risk is assessed to be low as these are affiliate companies with no history of default; hence no impairment loss has been recognized against these balances.

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms-length transactions. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

30. Related party disclosures (continued)

(d) Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	2024	2023
Short term benefits	**12,859**	11,695
Post-employment benefits	**802**	1,079
	13,661	12,774
Directors' remuneration	**6,400**	7,500

31. Contingencies and commitments

(a) Contingent liabilities

Under the bank facilities agreement, cross guarantees exist between certain Group companies, which could be enforced by the financiers, if the borrowers were to be in default of the finance agreement. Each member of the Group is therefore irrevocably, unconditionally and jointly and severally liable as principal obligor. The amount of Group facilities outstanding is as follows:

	2024	2023
Letters of guarantees	**1,143,970**	1,212,604
Letters of credit	**62,559**	60,752
Stand-by letters of credit	**1,117,309**	945,268
	2,323,838	2,218,624

The stand-by letters of credit are provided by commercial banks in favour of the suppliers of gold who have loaned gold on an unfixed basis to the Group (refer Note 14 (c)).

(b) Commitments

Capital commitments

	2024	2023
Capital work in progress – contracted but not provided for	**11,522**	4,455

(c) Contingent liabilities and commitments related to equity-accounted investees

	2024	2023
Contingent liabilities		
- Guarantees	**30,639**	62,179
- Letters of credit	**-**	9,009
	30,639	71,188

The equity-accounted investees issued the above guarantees in the normal course of business and do not anticipate any material liability to arise.

32. 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.

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 31 December 2024**		**Fair value Hierarchy**
		Carrying value	**Fair value**	
Cash and cash equivalents (1)	Amortised cost	**743,143**	**743,143**	-
Trade and other receivables (1)	Amortised cost	**1,564,317**	**1,564,317**	-
Financial assets at fair value through other comprehensive income	FVOCI	**8,287**	**8,287**	**Level 3**
Amount due from related parties (1)	Amortised cost	**64,770**	**64,770**	-
Bank overdrafts (1)	Other financial liabilities	**(237,473)**	**(237,473)**	-
Borrowings	Other financial liabilities	**(3,987,933)**	**(3,987,933)**	**Level 2**
Trade and other payables (1)	Other financial liabilities	**(1,361,208)**	**(1,361,208)**	-

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2023		Fair value Hierarchy
		Carrying value	Fair value	
Cash and cash equivalents (1)	Amortised cost	496,595	496,595	-
Trade and other receivables (1)	Amortised cost	1,372,727	1,372,727	-
Financial assets at fair value through other comprehensive income	FVOCI	8,340	8,340	Level 3
Amount due from related parties (1)	Amortised cost	71,963	71,963	-
Bank overdrafts (1)	Other financial liabilities	(202,133)	(202,133)	-
Borrowings	Other financial liabilities	(3,592,628)	(3,592,628)	Level 2
Trade and other payables (1)	Other financial liabilities	(1,475,936)	(1,475,936)	-

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

32. Fair values of financial instruments (continued)

Fair value measurements (continued)

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.

(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 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.

Reconciliation of Level 3 fair value

Equity instruments at FVOCI	2024	2023
At 1 January	8,340	8,337
Exchange difference on translation of foreign currency	(53)	3
At 31 December	8,287	8,340

33. Financial risk management

The Group is exposed to credit risk, liquidity risk and market risks such as currency risk, price risk and interest rate risk. The Group monitors and manages the risks relating to its operations through internal risk reports. The group's risk management is predominantly controlled by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall capital and risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The major risks are discussed below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances (call deposits), bank overdraft and interest-bearing loans and borrowings, which bear floating interest rate.

33. Financial risk management (continued)

Interest rate risk (continued)

The following summary sets out the Group's exposure to interest rate risk as of 31 December:

	2024	2023
Bank deposits and call accounts	**738,585**	8,965
Bank overdrafts	**(237,473)**	(202,133)
Loans to Joint venture companies	**(60,165)**	64,252
Borrowings	**(3,987,933)**	(3,592,628)
	(3,546,986)	(3,721,544)

The Group is exposed to interest rate risk as it maintains and borrows funds at floating interest rates. The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December:

	2024	2023
Basis points	**+/-25**	+/-25
Effect on profit for the year (QR '000)	**+/-10,498**	9,464

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Credit risk on bank balances is limited as they are placed with banks having good credit rating. The Group's exposure to counterparties is continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The credit terms for trade receivable are 30 days to 180 days.

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments as follows:

	2024	2023
Bank balances	**738,585**	487,517
Trade receivables	**1,494,630**	1,333,897
Contract assets	**923,700**	1,003,666
Other receivables	**50,635**	23,414
Due from related parties	**64,770**	71,963
	3,272,320	2,920,457

Bank balances

The Group held bank balances of QR 739 million at 31 December 2024 (2023: QR 488 million). The balances are held with banks, which are rated Aa3- to A3, based on Moody's ratings.

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the banks. As at reporting date, none of the bank balances were credit impaired. Expected credit loss on non-credit impaired balance was immaterial, hence no provision was recognised in these consolidated financial statements.

33. Financial risk management (continued)

Credit risk (continued)

Due from related parties

As at reporting date, none of the amounts due from related parties were credit impaired. Expected credit loss on non-credit impaired balance was immaterial, hence no provision was recognised in these consolidated financial statements.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group limits its exposure to credit risk from trade receivable by:

- evaluating the creditworthiness of each counter-party prior to entering into contracts;
- establishing maximum payment periods for each customer, which are reviewed regularly; and
- periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for corporate customers respectively. As a result, management believes that there is no significant credit risk on its trade receivables as presented on the consolidated financial statements.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a government or non-government entity, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

At 31 December 2024, the carrying amount of the Group's twenty most significant customers amounted to QR 652 Million (2023: QR 583 Million).

The movement in the provision for impairment of trade receivable and contract assets is disclosed in Note 7.

Impairment on trade receivables and contract assets has been measured on a life-time expected loss basis. The Group uses an allowance matrix to measure the ECL on these financial and contract assets.

Loss rates are calculated using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contracts assets as at reporting date.

	Weighted average loss rate	Gross carrying amount	Loss allowance
31 December 2024			
Government customers	**0.05%**	**971,796**	486
Non-government customers			
Current (not past due)	**1.42%**	**1,174,480**	**16,734**
1-90 days past due	**5.75%**	**132,631**	**7,622**
91–180 days past due	**28.63%**	**30,173**	**8,639**
181–365 days past due	**36.19%**	**36,493**	**13,207**
More than 365 days past due	**60.00%**	**72,757**	**43,654**
		1,446,534	**89,856**
		2,418,330	**90,342**

33. Financial risk management (continued)

Credit risk (continued)

	Weighted average loss rate	Gross carrying amount	Loss allowance
31 December 2023			
Government customers	0.05%	979,265	490
Non-government customers			
Current (not past due)	1.64%	1,041,793	17,072
1-90 days past due	3.69%	211,318	7,793
91–180 days past due	25.81%	26,356	6,803
181–365 days past due	39.62%	26,006	10,305
More than 365 days past due	100.00%	52,825	52,825
		1,358,298	94,798
		2,337,563	95,288

The trade and other receivables are unrated except for Government customers.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by forward looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Forward looking factors are based on actual and forecast macro-economic factors (primarily GDP) and is considered to be positive. Past due are those amounts for which either the contractual or the "normal" payment date has passed.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behavior and extensive analysis of customer credit base.

Trade receivables do not bear interest.

The Group does not require collateral as security in respect of its trade receivables and contract assets.

Other receivables

Impairment on deposits and other receivables has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. As at reporting date, none of deposits and other receivables were credit impaired. Expected credit loss on non-credit impaired balance was assessed to be immaterial, hence no provision was recognised in these consolidated financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign currency exposure is minimal since the Group deals mostly in Qatari Riyal and US Dollars. Balances in other GCC currencies do not expose the Group to significant currency risk since they are pegged to the US Dollar. The following table details the Group's sensitivity to an increase or decrease in Qatari Riyal against the relevant foreign currencies.

33. Financial risk management (continued)

Foreign currency risk (continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the impact of a change in the exchange rates are as follows:

Net exposure (Liability)	2024	2023
EURO	**5,481**	4,523
GBP	**607**	18,213
Other currencies	**6,371**	6,179
	12,459	28,915

	Increase/ decrease in GBP to the QR	Effect on profit before tax
2024	**+/- 3%**	**374**
2023	+/- 3%	546

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations and reputation.

The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans. The Group relies on bank facilities comprising short term loans and trade financing facilities from a number of banks to fund its working capital requirements. The Group uses trade financing facilities to better match payment terms with large international suppliers to the timing of receipts from customers.

These facilities are subject to annual review by the banks and the Group expects these arrangements to continue and be made available in the foreseeable future. As of the year ended 31 December 2024, the Group had significant short-term undrawn facilities under such arrangements, which management believes is sufficient to manage its liquidity.

The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows from its future operations and availability of sufficient bank facilities.

The table below summarises the maturities of the Group's derivative and non-derivative financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2024	**Carrying amounts**	**Contractual cash flows**	**Less than 6 months**	**6 months to 1 year**	**More than 1 year**
Trade and other payables (excluding contract liabilities)	**1,361,208**	**(1,361,208)**	**(1,246,958)**	**(60,964)**	**(53,286)**
Borrowings	**3,987,933**	**(4,101,575)**	**(2,985,619)**	**(312,051)**	**(803,905)**
Lease liabilities	**200,626**	**(266,819)**	**(46,323)**	**(44,857)**	**(175,639)**
Bank overdrafts	**237,473**	**(237,473)**	**(237,473)**	**-**	**-**
Total	**5,787,240**	**(5,967,075)**	**(4,516,373)**	**(417,872)**	**(1,032,830)**

33. Financial risk management (continued)

Liquidity risk (continued)

At 31 December 2023	Carrying amounts	Contractual cash flows	Less than 6 months	6 months to 1 year	More than 1 year
Trade and other payables (excluding contract liabilities)	1,475,936	(1,475,936)	(1,343,822)	(113,821)	(18,293)
Borrowings	3,592,628	(3,674,133)	(2,374,863)	(92,082)	(1,207,188)
Lease liabilities	187,159	(200,717)	(20,038)	(64,536)	(116,143)
Bank overdrafts	202,133	(202,133)	(202,133)	-	-
Total	5,457,856	(5,552,919)	(3,940,856)	(270,439)	(1,341,624)

Capital management

The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group monitors its capital using a gearing ratio which is net debt divided by total equity. The gearing ratio is a dynamic metric influenced by business performance and treasury management. It is presented for capital management purposes only. The Group includes within the net debt, borrowings (included in Note 14), lease liabilities (included in Note 15) and bank overdrafts less cash and cash equivalents.

Gearing ratio

The gearing ratio at 31 December is as follows:

	2024	2023
Debt (including bank overdrafts)	**4,426,032**	3,981,920
Cash and cash equivalents	**(743,143)**	(496,595)
Net debt	**3,682,889**	3,485,325
Total equity	**1,037,438**	992,429
Acquisition reserve	**588,058**	588,058
	1,625,496	1,580,487
	2.27:1	2.21:1

Acquisition reserve is presented as part of legal reserve in the consolidated statement of changes in equity.

Reconciliation of movement of liabilities to cash flows arising from financial liabilities

	Bank overdrafts	**Borrowings**	**Lease liabilities**	**Total**
At 1 January 2023	(298,383)	(3,650,220)	(186,405)	(4,135,008)
Cash flows	96,250	57,592	112,837	266,679
Other changes	-	-	(113,591)	(113,591)
Balance at 31 December 2023	**(202,133)**	**(3,592,628)**	**(187,159)**	**(3,981,920)**
Cash flows	**(35,340)**	**(395,305)**	**98,548**	**(332,097)**
Other changes	**-**	**-**	**(112,015)**	**(112,015)**
At 31 December 2024	**(237,473)**	**(3,987,933)**	**(200,626)**	**(4,426,032)**

34. Discontinued operation

In the FY 2022 the Group disposed of its entire shareholding in Inetum S.A group ("Inetum") which was engaged in the business of information and communication technology. During the previous year 2023, the Group successfully completed the legal proceedings to recover the capital gains tax paid to the French tax authorities resulting from the disposal of Inetum and recorded an income of QR 413.1 million for the year ended 31 December 2023.

35. Subsequent events

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

36. Comparative figures

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported net profits, net assets and equity.