

MEEZA QSTP-LLC (PUBLIC)
DOHA - QATAR

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2024**

MEEZA QSTP-LLC (Public)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the six-month period ended June 30, 2024

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MEEZA QSTP-LLC (PUBLIC)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of MEEZA QSTP-LLC (Public) (the "Company") and its subsidiary (the "Group") as at 30 June 2024 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

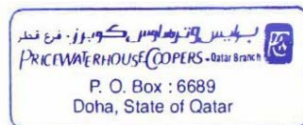
Scope of review

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

Conclusion

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

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



Mark Menton

Auditor's registration number 364

Doha, State of Qatar

29 July 2024

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Ministry of Commerce and Industry License number 6 / Qatar Financial Markets Authority License number 120155

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MEEZA QSTP-LLC (Public)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Notes	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	465,604	475,280
Right-of-use assets	5	139,743	143,231
Contract assets	6	9,488	11,162
Other non-current assets		3,155	4,447
Total non-current assets		617,990	634,120
Current assets			
Prepayments and other assets	7	34,435	18,754
Contract assets	6	133,975	120,548
Trade receivables	8	99,717	122,978
Trade receivables from related parties	17	72,968	43,719
Cash and cash equivalents	9	223,348	249,975
Total current assets		564,443	555,974
Total assets		1,182,433	1,190,094
EQUITY AND LIABILITIES			
Equity			
Share capital	10	648,980	648,980
Legal reserve	11	17,526	14,537
Retained earnings		30,149	55,942
Total equity		696,655	719,459
Non-current liabilities			
Employees' end of service benefits	12	11,842	11,251
Contract liabilities	18	30,933	33,466
Lease liabilities	13	149,574	148,396
Borrowings	14	114,894	121,597
Total non-current liabilities		307,243	314,710
Current liabilities			
Trade and other payables	15	128,716	110,290
Trade payables to related parties	17	1,363	6,193
Contract liabilities	18	24,710	16,104
Lease liabilities	13	10,342	9,934
Borrowings	14	13,404	13,404
Total current liabilities		178,535	155,925
Total liabilities		485,778	470,635
Total equity and liabilities		1,182,433	1,190,094

Vice Chairman

Saad Sabah Al-Kuwari

Chief Executive Officer

Mohamed Ali Alghaithani

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only. Report on review of condensed consolidated interim financial information is set out on page A.

The accompanying notes are an integral part of these condensed consolidated interim financial information.

MEEZA QSTP-LLC (Public)**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the six-month period ended June 30, 2024

	Notes	For the six-month period ended	
		June 30	
		2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Revenue	18	179,379	221,789
Cost of sales	19	(119,945)	(164,128)
Gross profit		59,434	57,661
General and administrative expenses	20	(25,611)	(23,175)
Operating profit		33,823	34,486
Other income / (expense)		556	(29)
Finance income		4,196	3,989
Interest expense on lease liabilities	5	(4,248)	(4,184)
Finance costs	14	(4,442)	(4,546)
Profit for the period		29,885	29,716
Other comprehensive income		--	--
Total comprehensive income for the period		29,885	29,716
Earnings per share			
Basic and diluted earnings (QR'000 per share)	22	0.05	0.05



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MEEZA QSTP-LLC (Public)**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended June 30, 2024

	Share capital	Legal reserve	Retained earnings	Total
	QR'000	QR'000	QR'000	QR'000
Balance at December 31, 2022 (Audited)	648,980	8,515	21,687	679,182
Total comprehensive income for the period	--	--	29,716	29,716
Dividends paid during the period (Note 16):	--	--	(18,434)	(18,434)
Balance at June 30, 2023 (Reviewed)	<u>648,980</u>	<u>8,515</u>	<u>32,969</u>	<u>690,464</u>
Balance at December 31, 2023 (Audited)	648,980	14,537	55,942	719,459
Transfer to legal reserve (Note 11)	--	2,989	(2,989)	--
Total comprehensive income for the period	--	--	29,885	29,885
Dividends paid during the period (Note 16):	--	--	(52,689)	(52,689)
Balance at June 30, 2024 (Reviewed)	<u>648,980</u>	<u>17,526</u>	<u>30,149</u>	<u>696,655</u>



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Report on review of condensed consolidated interim financial information is set out on page A.

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MEEZA QSTP-LLC (Public)**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the six-month period ended June 30, 2024

	Notes	For the six-month period ended June 30	
		2024	2023
		(Reviewed) QR'000	(Reviewed)* QR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		29,885	29,716
Adjustments for:			
Depreciation of property, plant and equipment	4	22,009	24,277
Depreciation of right-of-use assets	5	5,914	5,285
Finance costs		4,442	4,546
Finance income		(4,196)	(3,989)
Interest expense on lease liabilities	13	4,248	4,184
Provision for employees' end of service benefits	12	2,178	1,763
		<u>64,480</u>	<u>65,782</u>
Movements in working capital			
Trade receivables		23,261	(50,336)
Prepayments and other assets		(15,681)	(9,180)
Other non-current assets		1,292	1,860
Contract assets		(11,753)	(18,618)
Trade receivables from related parties		(29,249)	59,023
Trade and other payables		18,426	52,413
Trade payables to related parties		(4,830)	--
Contract liabilities		6,073	(3,196)
Net cash generated by operations		<u>52,019</u>	<u>97,748</u>
Finance costs paid		(4,442)	(4,546)
Payment for employees' end of service benefits	12	(1,587)	(652)
Net cash generated by operating activities		<u>45,990</u>	<u>92,550</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	4	(12,333)	(8,079)
Finance income received		4,196	3,989
Net cash used in investing activities		<u>(8,137)</u>	<u>(4,090)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(52,689)	(18,434)
Borrowings paid		(6,703)	(6,703)
Principal repayment of lease liabilities	13	(5,088)	(3,820)
Net cash used in financing activities		<u>(64,480)</u>	<u>(28,957)</u>
Net (decrease) / increase in cash and cash equivalents		(26,627)	59,503
Cash and cash equivalents at the beginning of the period/ year		249,975	203,405
Cash and cash equivalents at the end of the period / year	9	<u>223,348</u>	<u>262,908</u>

* Refer to Note 25 for details regarding certain changes in comparative information.

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Report on review of condensed consolidated interim financial information is set out on page A.

The accompanying notes are an integral part of these condensed consolidated interim financial information.

MEEZA QSTP-LLC (Public)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

1. INCORPORATION AND ACTIVITIES

MEEZA QSTP-LLC (Public) (the “Company”) is registered as a limited liability company under the Qatar Science and Technology Park (QSTP) Free Zone Regulations with registration number STP008 pursuant to law number 36 of 2005.

On August 23, 2023, the Company was listed on the Qatar Stock Exchange. Qatar Foundation for Education, Science and Community Development own 40% of the Company, and Ooredoo Q.P.S.C own 10%.

The Company is engaged in information technology services. The address of the Company’s registered office is Qatar Science and Technology Park Free Zone, Level 1, Tech 2, Gharafa Street, P.O. Box 892, Doha, State of Qatar.

The Company’s fully owned subsidiary, MEEZA Information Technology W.L.L. (the “Subsidiary”) business activities, which commenced in 2021, include software designing and programming, trading in computer network equipment, designing electronic sites, information technology consultancy, storage of data and documents, trading in computer networking devices and trading via internet.

The Company and its subsidiary (together “the Group”) operate in the State of Qatar.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six-month period ended June 30, 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”).

The condensed consolidated interim financial information is prepared in Qatari Riyals, which is the Group’s functional and presentation currency and all values are rounded to the nearest thousands (QR’ 000) except when otherwise indicated.

The condensed consolidated interim financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2023. In addition, results for the six-month period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

Judgments, estimates and risk management

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Group’s annual consolidated financial statements for the year ended December 31, 2023.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023 and the notes attached thereto, except for the adoption of certain new and revised standards as applicable, that became effective in the current period and new policies as set out below.

*Changes to material accounting policies***1. New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current reporting period, and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

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

2. Impact of new standards (issued but not yet adopted by the Group)

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

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Net book value at the beginning of the period / year	475,280	508,493
Additions during the period / year	12,333	14,433
Depreciation for the period / year	(22,009)	(47,646)
Net book value at the end of the period / year	465,604	475,280

Depreciation expense of QR 20.52 million (June 30, 2023: QR 22.98 million) has been charged in cost of sales, QR 1.49 million (June 30, 2023: QR 1.30 million) in general and administrative expenses.

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

5. RIGHT-OF-USE ASSETS*Group as a Lessee*

The Group leases several assets including land and data centre building, and office space. The average lease term for land ranges from 20 to 30 years while the office space is for 7 years.

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Net book value at the beginning of the period / year	143,231	151,941
New lease added during the period / year	2,426	2,244
Depreciation for the period / year	(5,914)	(10,954)
Net book value at the end of the period / year	139,743	143,231

Amounts recognised in condensed consolidated interim statement of profit and loss:

	For the six-month period ended June 30	
	2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Depreciation of right-of-use assets (Notes 19, 20)	5,914	5,286
Interest expense on lease liabilities	4,248	4,184
Expense relating to short-term leases	520	479
	10,682	9,949

6. CONTRACT ASSETS

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Third parties	74,315	82,423
Related parties	69,148	49,287
	143,463	131,710
	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Non-current contract assets	9,488	11,162
Current contract assets	133,975	120,548
	143,463	131,710

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

7. PREPAYMENTS AND OTHER ASSETS

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Prepayments	26,630	12,041
Advance to suppliers (i)	4,911	3,379
Other current assets	2,894	3,334
	34,435	18,754

(i) The balance pertains to the advance payments made to the vendors for the costs of the services contracts.

8. TRADE RECEIVABLES

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Trade receivables	105,744	129,005
Less: Provision for loss allowance	(6,027)	(6,027)
Trade receivables – net	99,717	122,978

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9, all collectively assessed:

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Balance at the beginning of the period / year	6,027	5,256
Provision during the period / year	--	771
Balance at the end of the period / year	6,027	6,027

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial period/year as shown in the condensed consolidated interim statement of cash flows can be reconciled to the related items in the condensed consolidated interim statement of financial position as follows:

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Cash on hand	5	5
Bank balances	47,343	21,370
Short term time deposits	<u>176,000</u>	<u>228,600</u>
Cash and cash equivalents	<u>223,348</u>	<u>249,975</u>

Short term time deposits represent deposits held with banks which can be liquidated / made available on demand, without penalty and with an insignificant risk of changes in value or loss of interest. Accordingly, the Group has classified these as part of cash and cash equivalents. These carry interest rates ranging from 4% to 5.8% (December 31, 2023: 3% to 5.25%).

10. SHARE CAPITAL

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Authorised, issued and fully paid <i>648,980,000 shares of nominal value 1 QR each</i>	<u>648,980</u>	<u>648,980</u>

11. LEGAL RESERVE

As required by the Company's Articles of Association, 10% of the profit for the year is to be transferred to the legal reserve until the reserve reaches a minimum of 50% of the paid-up share capital. As at June 30, 2024, the legal reserve amounted QR 17.53 million (December 31, 2023: QR 14.54 million). This reserve is not available for distribution.

12. EMPLOYEES' END OF SERVICE BENEFITS

Movement in the employees' end of service benefits were as follows:

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Balance at the beginning of the period / year	11,251	10,821
Expense for the period / year	2,178	3,368
Payments during the period / year	<u>(1,587)</u>	<u>(2,938)</u>
Balance at the end of the period / year	<u>11,842</u>	<u>11,251</u>

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

13. LEASE LIABILITIES

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Balance at the beginning of the period / year	158,330	164,073
Additions/modifications	2,426	2,244
Accretion of finance cost	4,248	8,422
Principal element of lease payments	(5,088)	(16,409)
Balance at the end of the period / year	159,916	158,330

Presented in the condensed consolidated interim financial position as follows:

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Non-current lease liabilities	149,574	148,396
Current lease liabilities	10,342	9,934
	159,916	158,330

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group's treasury function.

14. BORROWINGS

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Non-current borrowings	114,894	121,597
Current borrowings	13,404	13,404
	128,298	135,001

The Group entered into a Facility Agreement with Dukhan Bank for QR 148.4 million on December 10, 2020 ("the facility") at Qatar Market Lending Rate (QMRL) subject to a minimum of 3.5% per annum, payable quarterly. The facility is repayable in 31 equal quarterly instalments of QR 3.35 million starting March 2023 and one final bullet payment of QR 44.5 million (30% of facility amount) in December 2030. The facility is secured by the assignment of the full contract values of each of MV2 & MV4 Colocation and Data Centre Leases with Microsoft QSTP LLC ("Microsoft") and Ministry of Communications and Information Technology ("MCIT") (previously "Ministry of Transport and Communications") favouring Dukhan Bank.

Borrowing finance costs incurred and recognized in the condensed consolidated interim statement of profit or loss during the period amounted to QR 4.24 million (June 30, 2023: QR 4.23 million).

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

15. TRADE AND OTHER PAYABLES

	June 30, 2024 (Reviewed)	December 31, 2023 (Audited)
	QR'000	QR'000
Trade payables	52,852	20,093
Accrued expenses	65,985	79,626
Retention payable	5,405	4,461
Payable to social and sports fund	--	1,505
Advance from customers	4,117	4,303
Other current liabilities	357	302
	128,716	110,290

16. DIVIDEND

The Board of Directors proposed a cash dividend distribution of QR 0.081 per share for the results of year ended December 31, 2023. This was subsequently approved by the shareholders during the Annual General Assembly held on February 29, 2024 and payment was made on March 10, 2024.

On May 15, 2023, the Board of Directors had proposed a cash dividend of 85% of retained earnings related to results of year 2022 amounting QR 18.43 million. This was subsequently approved by the shareholders during the Annual General Assembly held on May 18, 2023 and payment was made on June 15, 2023.

17. RELATED PARTY DISCLOSURES

Related parties, as defined in International Accounting Standard 24: *Related Party Disclosures*, include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

a) Trading transactions

The following are the balances arising on transactions with related parties:

	For the six-month period ended June 30	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
<i>Sale of goods and services:</i>		
Shareholders	36,036	31,743
Companies with common shareholder	28,422	39,945
	64,458	71,688

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

17. RELATED PARTY DISCLOSURES (CONTINUED)*b) Balances arising from sales of goods/services*

The following are the balances arising on transactions with related parties:

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Trade receivables from related parties:		
<i>Shareholders</i>	57,222	31,872
<i>Companies with common shareholder</i>	<u>25,705</u>	<u>21,806</u>
	82,927	53,678
<i>Provision for loss allowance</i>	<u>(9,959)</u>	<u>(9,959)</u>
	<u><u>72,968</u></u>	<u><u>43,719</u></u>
	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Trade payables to related parties:		
<i>Shareholders</i>	1,352	5,456
<i>Companies with common shareholder</i>	<u>11</u>	<u>737</u>
	<u><u>1,363</u></u>	<u><u>6,193</u></u>

The trade receivables from related parties arise mainly from sale of goods and services transactions. The receivables are unsecured in nature and earn no interest. The trade payables to related parties pertains to lease and internet service transactions.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables from related parties in accordance with the simplified approach set out in IFRS 9 all collectively assessed:

	June 30, 2024 (Reviewed) QR'000	December 31, 2023 (Audited) QR'000
Balance at the beginning of the period / year	9,959	8,530
Provision during the period / year	<u>--</u>	<u>1,429</u>
Balance at the end of the period / year	<u><u>9,959</u></u>	<u><u>9,959</u></u>

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

17. RELATED PARTY DISCLOSURES (CONTINUED)*c) Compensation of key management personnel*

The remuneration of directors and other members of key management during the period was as follows:

	For the six-month period ended June 30	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Short-term benefits	5,851	6,221
Long-term benefits	428	--
	<u>6,279</u>	<u>6,221</u>

18. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major revenue streams within the State of Qatar.

	For the six-month period ended June 30	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Revenue – at a point of time:		
Solutions services	14,329	67,290
Revenue – over time:		
Data centre services	72,505	67,170
Managed services	61,796	56,853
Workplace services	7,424	7,033
Solutions services	11,753	11,415
Master system integrator services	3,661	4,200
Cloud services	7,911	7,828
	<u>179,379</u>	<u>221,789</u>

The current portion of the deferred revenue referred to as “contract liabilities” in the condensed consolidated interim statement of financial position amounting to QR 24.71 million (December 31, 2023: QR 16.10 million) is expected to be recognised as revenue during 2024. The non-current portion of contract liabilities amounting to QR 30.93 million (December 31, 2023: QR 33.47 million) is expected to be recognized as revenue after 12-months from the reporting date.

The unsatisfied performance obligations as at reporting date amounted to QR 1,454.09 million (December 31, 2023: QR 1,240.59 million).

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

19. COST OF SALES

	For the six-month period ended June 30	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Software, hardware and license cost	36,682	75,205
Outsourcing and third party cost	25,443	23,355
Depreciation of property, plant and equipment (Note 4)	20,515	22,975
Salaries, wages and other benefits	20,923	19,578
Data centre management costs	11,584	18,848
Depreciation of right-of-use assets (Note 5)	4,725	4,096
Others	73	71
	119,945	164,128

20. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended June 30	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Staff costs and allowances	17,062	15,483
Depreciation of property, plant and equipment (Note 4)	1,494	1,302
Professional fees	1,218	261
Depreciation of right-of-use assets (Note 5)	1,189	1,190
Insurance	777	799
Directors' remuneration	565	487
Rent	520	479
Office expenses	443	347
Marketing costs	340	165
Others	2,003	2,662
	25,611	23,175

21. COMMITMENTS AND CONTINGENT LIABILITIES

	June 30, 2024	December 31, 2023
	(Reviewed)	(Audited)
	QR'000	QR'000
Performance guarantee	91,454	77,876
Tender bond and other guarantees	37,974	35,629

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

22. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

	For the six-month period ended June 30	
	2024 (Reviewed)	2023 (Reviewed)
Profit attributable to the equity holders for the period (“in thousands”)	29,885	29,716
Weighted average number of shares outstanding during the period	648,980	648,980
Basic and diluted earnings per share (expressed in QR per share)	0.05	0.05

23. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument.

Fair value measurements

Financial assets consist of bank balances, trade receivables from related parties and trade receivables. Financial liabilities consist of trade payables, trade payables to related parties, dividends payable, lease liabilities and borrowings.

Management believes that the fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments or are regularly repriced at market rates.

24. SEGMENT INFORMATION

The operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance of the components. The functions of the CODM are performed by the Board of Directors of the Group.

The Group is organised into business units based on their products and services and has one reportable operating segment which is the IT segment from its contracts of Data Centre, Managed Services, Cloud Services, Master Service Integrator Services, Workplace Services and Solution Services.

Geographically, the Group only operates in the State of Qatar.

MEEZA QSTP-LLC (Public)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

25. COMPARATIVE INFORMATION

During the period ended June 30, 2024, the Group performed the following reclassifications on the comparative figures to conform with the presentation in the December 31, 2023 year end financial statement with respect to the separate presentation of contract assets and contract liabilities to comply with IFRS 15. Such reclassifications did not have any impact on the previously reported equity and profits.

The impacted line items in the condensed consolidated interim financial statements are noted below:

	For the six-month period ended June 30		
	Previous	Adjustment*	Current
	QR'000	QR'000	QR'000
Operating activities before movements in working capital	65,782	--	65,782
Trade receivables	(39,464)	(10,872)	(50,336)
Prepayments and other assets	(9,180)	--	(9,180)
Other non-current assets	1,860	--	1,860
Contract assets	--	(18,618)	(18,618)
Trade receivables from related parties	29,533	29,490	59,023
Trade and other payables	52,413	--	52,413
Contract liabilities	(3,196)	--	(3,196)
Net cash generated by operations	97,748	--	97,748

* The contract assets were previously included in trade receivables and trade receivables from related parties have been presented as a separate line item.

26. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on July 29, 2024.