MEEZA QSTP-LLC (PUBLIC)
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

INDEX **Page**

Independent auditor's report	A
Consolidated statement of financial position	1
Consolidated statement of profit or loss and other comprehensive income	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Notes to the consolidated financial statements	5 – 38

Independent auditor's report to the shareholders of MEEZA QSTP - LLC (Public)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of MEEZA QSTP-LLC (Public) (the "Company") and its subsidiary (together 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.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements in the State of Qatar.

Our audit approach

Overview

Key Audit Matter **Revenue recognition – Revenue from contracts with customers**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of material accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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Key audit matter

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	**How our audit addressed the Key audit matter**
Revenue recognition – Revenue from contracts with customers (refer to Note 20) – QR 374 million	
The Group applies IFRS 15 Revenue from Contracts with Customers to account for the products and services it provides to its customers. Accounting for revenue recognition was a key audit matter because: • Revenue is the most financially significant item in the consolidated statement of profit or loss and other comprehensive income; • There is complexity involved in applying the requirements of IFRS 15 given the number of revenue components and non standardised contract terms; and • Judgement is required by the Group in applying the requirements of IFRS 15, to o Identifying the performance obligations under its contracts with the customers; o Determining the transaction price, considering the terms in the contracts; and o Assessing whether the Group acts as a principal or agent in Solutions contracts; and o Assessing the timing of the revenue recognition.	We performed the following procedures, amongst others: • Assessed whether the Group's accounting policies were in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers; • Evaluated the design and tested the operating effectiveness of controls related to revenue recognition; • Evaluated the judgements made by the Group in applying the accounting policy by obtaining an understanding of the revenue streams and considering the terms and conditions on the contracts with customers on a sample basis; • For each revenue transaction tested, we: o developed an understanding of the key terms of the arrangement including parties, term dates, performance obligations, fees and payment terms; o considered the Group's identification of performance obligations and allocation of the transaction price to the performance obligations; o recalculated the amount of revenue which the Group has recognised, taking into account the terms of the contracts; o evaluated judgements applied made by the Group in assessing whether the Group acted as a principal or agent; and o confirmed the appropriateness of the timing of the revenue recognition. • We also evaluated the reasonableness of the revenue disclosures made in Note 20.

Other information

The Directors are responsible for the other information. The other information comprises the Board of Directors' Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Annual Report, which is 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 obtained prior to the date of this auditor's 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.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and with the requirements of the QSTP Companies Regulations and for such internal control as the Directors determine 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 Directors are 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 Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the 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 auditor's 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.

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.

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of the 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 auditor's 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 auditor's 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, 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 auditor's 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.

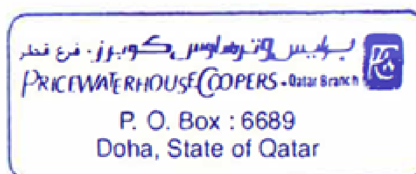
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, we report the following:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the QSTP Companies Regulations or its Articles of Association, which would materially affect the reported results of its operations or its consolidated financial position as at 31 December 2024.

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
4 February 2025



MEEZA QSTP-LLC (Public)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Notes	**December 31, 2024**	December 31, 2023
		QR'000	QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**449,390**	475,280
Right-of-use assets	6	**133,991**	143,231
Contract assets	7	**7,387**	11,162
Other non-current assets	8	**4,970**	4,447
Total non-current assets		**595,738**	634,120
Current assets			
Prepayments and other assets	9	**20,280**	18,754
Contract assets	7	**129,051**	120,548
Trade receivables	10	**81,264**	122,978
Trade receivables from related parties	19	**52,987**	43,719
Cash and cash equivalents	11	**278,842**	249,975
Total current assets		**562,424**	555,974
Total assets		**1,158,162**	1,190,094
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**648,980**	648,980
Legal reserve	13	**20,580**	14,537
Retained earnings		**56,129**	55,942
Total equity		**725,689**	719,459
Non-current liabilities			
Employees' end of service benefits	14	**12,315**	11,251
Contract liabilities	20	**33,447**	33,466
Lease liabilities	15	**141,292**	148,396
Borrowings	16	**108,192**	121,597
Total non-current liabilities		**295,246**	314,710
Current liabilities			
Trade and other payables	17	**99,916**	110,290
Trade payables to related parties	19	**5,976**	6,193
Contract liabilities	20	**8,027**	16,104
Lease liabilities	15	**9,904**	9,934
Borrowings	16	**13,404**	13,404
Total current liabilities		**137,227**	155,925
Total liabilities		**432,473**	470,635
Total equity and liabilities		**1,158,162**	1,190,094

The financial statements on pages 1 to 38 were approved and authorised for issue by the Board of Directors on 4 February 2025 and were signed on its behalf by:

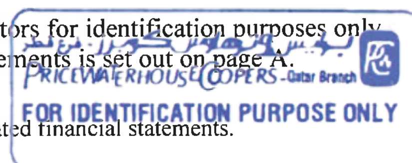
Chairman

Hamad Bin Abdulla Bin Jassim Al-Thani

Chief Executive Officer

Mohamed Ali Alghaithani

This statement has been prepared by the Group & stamped by the Auditors for identification purposes only.
Independent auditor's report on the consolidated financial statements is set out on page A.



The accompanying notes are an integral part of these consolidated financial statements.

MEEZA QSTP-LLC (Public)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	2024 QR'000	2023 QR'000
Revenue	20	**374,215**	422,917
Cost of sales	21	**(255,964)**	(308,197)
Gross profit		**118,251**	114,720
General and administrative expenses	22	**(51,440)**	(49,846)
Operating profit		**66,811**	64,874
Other income / (expense)		**556**	(3)
Finance income	11	**9,910**	13,044
Finance costs	16	**(8,538)**	(9,277)
Interest expense on lease liabilities	6	**(8,309)**	(8,422)
Profit for the year		**60,430**	60,216
Other comprehensive income		--	--
Total comprehensive income for the year		**60,430**	60,216
Earnings per share			
Basic and diluted earnings (in QR)	24	**0.09**	0.09

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Independent auditor's report on the consolidated financial statements is set out on page A.

MEEZA QSTP-LLC (Public)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Share capital QR'000	Legal reserve QR'000	Retained earnings QR'000	Total QR'000
Balance at January 1, 2023	648,980	8,515	21,687	679,182
Total comprehensive income for the year	--	--	60,216	60,216
Appropriation for contribution to social and sports fund (Note 13)	--	--	(1,505)	(1,505)
Transfer to legal reserve (Note 13)	--	6,022	(6,022)	--
Dividends paid during the year (Note 18)	--	--	(18,434)	(18,434)
Balance at December 31, 2023	648,980	14,537	55,942	719,459
Transfer to legal reserve (Note 13)	--	6,043	(6,043)	--
Total comprehensive income for the year	--	--	60,430	60,430
Appropriation for contribution to social and sports fund (Note 13)	--	--	(1,511)	(1,511)
Dividends paid during the year (Note 18)	--	--	(52,689)	(52,689)
Balance at December 31, 2024	**648,980**	**20,580**	**56,129**	**725,689**

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

Independent auditor's report on the consolidated financial statements is set out on page A.

The accompanying notes are an integral part of these consolidated financial statements.

MEEZA QSTP-LLC (Public)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Notes	2024	2023
		QR'000	QR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**60,430**	60,216
Adjustments for:			
Depreciation of property, plant and equipment	5	**44,711**	47,646
Depreciation of right-of-use assets	6	**11,666**	10,954
Finance costs		**8,538**	9,277
Finance income		**(9,910)**	(13,044)
Interest expense on lease liabilities	15	**8,309**	8,422
Expected credit losses on trade receivables	10	**1,842**	771
(Recovery) / Expected credit losses on trade receivables from related parties	19	**(614)**	1,429
Provision for employees' end of service benefits	14	**3,744**	3,368
		128,716	129,039
Movements in working capital			
Trade receivables		**39,872**	(2,438)
Prepayments and other assets		**(1,526)**	14,283
Other non-current assets		**(523)**	7,655
Contract assets		**(4,728)**	(102,343)
Trade receivables from related parties		**(8,654)**	46,747
Trade and other payables		**(11,885)**	(7,633)
Trade payables to related parties		**(217)**	3,907
Contract liabilities		**(8,096)**	19,206
Net cash generated by operations		**132,959**	108,423
Finance costs paid		**(8,538)**	(9,277)
Payment for employees' end of service benefits	14	**(2,680)**	(2,938)
Net cash generated by operating activities		**121,741**	96,208
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	5	**(18,821)**	(14,433)
Finance income received		**9,910**	13,044
Net cash used in investing activities		**(8,911)**	(1,389)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(52,689)**	(18,434)
Borrowings paid		**(13,405)**	(13,405)
Principal repayment of lease liabilities	15	**(17,869)**	(16,410)
Net cash used in financing activities		**(83,963)**	(48,249)
Net increase in cash and cash equivalents		**28,867**	46,570
Cash and cash equivalents at the beginning of the year		**249,975**	203,405
Cash and cash equivalents at the end of the year	11	**278,842**	249,975

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

Independent auditor's report on the consolidated financial statements is set out on page A.

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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), the Company's Articles of Association, and the Qatar Science and Technology Park regulations.

The consolidated financial statements have been prepared on the historical cost basis. These consolidated financial statements are presented in Qatari Riyals (QR), which is the Company's functional currency and the Group's presentation currency. All financial information are expressed in thousands Qatari Riyals (QR '000) except when otherwise indicated.

The consolidated financial statements have been prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary) made up to reporting date each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries, if any, are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in the consolidated statement of profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Changes to material accounting policy information

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.

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.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Subsequent costs

Subsequent costs that can be reliably measured are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if applicable, using the straight-line method over their estimated useful lives commencing when the assets are ready for their intended use and is generally recognised in the consolidated statement of profit or loss.

The estimated useful lives of property, plant and equipment is presented in Note 5 and are as follows:

Data centre and network assets	3 - 25 years
Building and leasehold improvements	5 - 20 years
Office furniture and other equipment	3 - 5 years

Management has determined the estimated useful lives of each asset and/ or category of assets based on the expected usage of the assets, physical wear and tear depending on operational and environmental factors and legal or similar limits on the use of the assets. Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate, on a prospective basis.

Derecognition

An item of property 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 and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts and are recognised net within the consolidated statement of profit or loss.

Capital work in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Impairment of tangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible assets (continued)

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period (or receivable on demand); or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period (or payable on demand); or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Post-employment benefits

Employees' end of service benefits

A provision is made for employees' end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

Defined contribution pension plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company pays contributions to publicly administered pension insurance plans on a mandatory basis for all Qatari employees and GCC nationals in accordance with Qatar Pensions and Retirement Law No. 24 of 2002 and other relevant laws. The Company has no further pension payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
(i) Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in consolidated statement of profit or loss and is included in the "interest income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables, contract assets, trade receivables from related parties and bank balances.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.
The Group recognises lifetime ECL for trade receivables, trade receivables from related parties and unbilled revenue. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90-days past due for trade receivables (other than governmental entities) and 365-days past due for trade receivables from related parties, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The Group does not have any financial liability measured at FVTPL.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the consolidated statement of profit or loss for financial liabilities that are not part of a designated hedging relationship.

Revenue recognition

Rendering of services

The Group principally obtains revenue from selling the following IT related services:

- Data centre and managed services
- Workplace services
- Solutions services
- Master system integrator services
- Cloud services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognize revenue when it transfers control over goods and services to its customer.

Revenues from the above mentioned services are either:
- recognised over time, upon the satisfaction of the performance obligation. The Group uses output method to measure the progress of the revenue recognised overtime or,
- at a point in time, upon control of the goods or service is transferred to the customer.

Contract liability:

When a customer pays up-front for requested services, a contract liability is recognised for revenues associated with these services at the time of initial sale and is released over the service period.

Contract asset:

When payment for services performed to date is not trade receivables from the customer based on the agreed-upon performance-related milestones, a contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed to date.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Interest income

Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discount estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "General and administrative expenses" in the consolidated statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group used this practical expedient.

Cash and cash equivalent

Cash and cash equivalents comprise bank balances and short-term deposits with original maturities of three months or less, if any, net of any outstanding balances and are used by the Group in the management of its short-term commitments.

Social and Sports Fund Contribution

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2011, which is applicable for all Qatari listed shareholding companies with publicly traded shares, the Group has made an appropriation of 2.5% of its net profit to a state social fund.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

Segment reporting

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Tax

The Parent Company's profits are exempt from income tax given its status as a Qatari listed company. The Company's subsidiary is subject to Qatar Income Tax law.

Foreign exchange difference

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The preparation of the financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY(CONTINUED)

4.1 Critical judgments in applying accounting policies (continued)

Judgment in determining the timing of satisfaction of performance obligations

The Group generally recognise revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receives and consumes the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these goods and services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

In making its judgement, the Management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group has transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate.

Significant judgements are made by management when concluding whether the Group is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Group. The assessment requires an analysis of key indicators, specifically whether the Group:

- carries any inventory risk;
- has the primary responsibility for providing the goods or services to the customer;
- has the latitude to establish pricing; and
- bears the customer's credit risk.

These indicators are used to determine whether the Group has exposure to the significant risks and rewards associated with the sale of goods or rendering of services.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.1 Critical judgments in applying accounting policies (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

An entity shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions that are within the scope of IFRS 15, and that do not contain a significant financing component in accordance with IFRS 15 (or when the entity applies the practical expedient in accordance with paragraph 63 of IFRS 15.

Judgment in identifying whether a contract includes a lease

The Group has entered into a contracts with lessors for the lease of land, building and office space.

Management has assessed whether or not the Group has contracted for the rights to substantially all of the lease of land and building and office space and whether the contracts contains a lease.

Management assessed that the Group have the right to obtain substantially all of the economic benefits for the use of the assets. As stated, the Group has concluded that the contract contains a lease.

Determining the lease term

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payment resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.1 Critical judgments in applying accounting policies (continued)

Determining the lease term (continued)

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of the lease.

4.2 Key sources of estimation uncertainty

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of tangible assets

The Group's management tests annually whether there is an indication that tangible assets (including capital work in progress) have suffered impairment in accordance with accounting policies stated in Note 3.

Estimated useful lives of property, plant and equipment

The costs of items of property, plant and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property, plant and equipment at the end of their useful lives as these have been deemed to be insignificant.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2 Key sources of estimation uncertainty (continued)

Estimates (continued)

Calculation of loss allowance

An estimate of the collectible amount of trade receivables and trade receivables from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time the amount has been due.

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default 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 sensitivity of ECL on the profit of the Group could be presented as follows:

	Increase/(decrease) in basis points	**Effect on profit (QR'000)**
December 31, 2024		
Expected Credit Losses	**50**	**86**
	(50)	**(86)**
December 31, 2023		
Expected Credit Losses	50	80
	(50)	(80)

Assessment as to whether the right-of-use assets is impaired

Management assessed that there are no events or changes in circumstances that indicate that the carrying amount of the right-of-use assets is impaired. Impairment indicators factored in the management's assessment are, but not limited to, the following: Physical condition of the right-of-use assets, adverse effect on the Company's performance impacting the usage of the right-of-use assets, future commitments needed to support the function of the right-of-use assets, and any significant drop in the external market value of the right-of-use assets.

5. PROPERTY, PLANT AND EQUIPMENT

	Data centre and network assets	Buildings and leasehold improvements	Office furniture & other equipment	Assets under construction	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Cost:					
At January 1, 2023	1,343,066	2,070	12,277	13,471	1,370,884
Additions	--	--	--	14,433	14,433
Transfer	12,016	7,517	2,422	(21,955)	--
At January 1, 2024	**1,355,082**	**9,587**	**14,699**	**5,949**	**1,385,317**
Additions	--	--	--	**18,821**	**18,821**
Transfer	**10,684**	**46**	**173**	**(10,903)**	--
At December 31, 2024	**1,365,766**	**9,633**	**14,872**	**13,867**	**1,404,138**
Accumulated depreciation:					
At January 1, 2023	850,705	2,032	9,654	--	862,391
Depreciation expense	44,602	1,540	1,504	--	47,646
At January 1, 2024	**895,307**	**3,572**	**11,158**	--	**910,037**
Depreciation expense	**41,671**	**1,508**	**1,532**	--	**44,711**
At December 31, 2024	**936,978**	**5,080**	**12,690**	--	**954,748**
Carrying amount:					
At December 31, 2024	**428,788**	**4,553**	**2,182**	**13,867**	**449,390**
At December 31, 2023	459,775	6,015	3,541	5,949	475,280
Depreciation rate 2024	**4% - 33%**	**5% - 20%**	**20% - 33%**		
Depreciation rate 2023	4% - 33%	5% - 20%	20% - 33%		

Depreciation expense of QR 41.67 million (2023: QR 44.60 million) has been charged in cost of sales, QR 3.04 million (2023: QR 3.04 million) in general and administrative expenses.

6. 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.

	Right-of-use assets		
	Land and data centre building	**Office space**	**Total**
	QR'000	**QR'000**	**QR'000**
January 1, 2023	138,315	13,626	151,941
Additions	2,244	--	2,244
Depreciation expense (Notes 21, 22)	(8,576)	(2,378)	(10,954)
December 31, 2023	**131,983**	**11,248**	**143,231**
Additions	**2,426**	--	**2,426**
Depreciation expense (Notes 21, 22)	**(9,288)**	**(2,378)**	**(11,666)**
December 31, 2024	**125,121**	**8,870**	**133,991**

Amounts recognised in consolidated statement of profit and loss and other comprehensive income:

	2024	2023
	QR'000	QR'000
Depreciation of right-of-use assets	**11,666**	10,954
Interest expense on lease liabilities	**8,309**	8,422
Expense relating to short-term leases	**1,031**	1,006
	21,006	20,382

As at December 31, 2024, the Group is committed to Nil (2023: Nil) short-term leases.

7. CONTRACT ASSETS

	2024	2023
	QR'000	QR'000
Third parties	**75,056**	82,423
Related parties	**61,382**	49,287
	136,438	131,710

	2024	2023
	QR'000	QR'000
Non-current contract assets	**7,387**	11,162
Current contract assets	**129,051**	120,548
	136,438	131,710

7. CONTRACT ASSETS (CONTINUED)

Amount relating to contract assets are balances earned but not yet billed to the customers. Any amount previously recognized as contract assets is reclassified to trade receivables and trade receivables from related parties at the point at which it is invoiced to the customer.

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECL. The expected credit losses on contract assets are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customer's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

8. OTHER NON-CURRENT ASSETS

	2024	2023
	QR'000	QR'000
Security deposit	**1,132**	1,137
Others	**3,838**	3,310
	4,970	4,447

9. PREPAYMENTS AND OTHER ASSETS

	2024	2023
	QR'000	QR'000
Prepayments	**15,000**	12,041
Advance to suppliers	**2,310**	3,379
Other current assets	**2,970**	3,334
	20,280	18,754

10. TRADE RECEIVABLES

	2024	2023
	QR'000	QR'000
Trade receivables	**89,133**	129,005
Less: Provision for loss allowance	**(7,869)**	(6,027)
Trade receivables – net	**81,264**	122,978

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customer's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

10. TRADE RECEIVABLES (CONTINUED)

As at December 31, the ageing of account receivables is as follows:

Expected credit loss rate	**0%**	**0%**	**7%**	**22%**	**9%**
December 31, 2024	**Less than 90 Days**	**91 to 180 Days**	**181 to 365 days**	**More than 365 days**	**Total**
	QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Estimated total gross carrying amount at default	**24,376**	**27,457**	**3,668**	**33,632**	**89,133**
Lifetime ECL	**--**	**(45)**	**(270)**	**(7,554)**	**(7,869)**
Net receivable	**24,376**	**27,412**	**3,398**	**26,078**	**81,264**

Expected credit loss rate	0%	6%	0%	12%	5%
December 31, 2023	Less than 90 Days	91 to 180 Days	181 to 365 days	More than 365 days	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Estimated total gross carrying amount at default	39,694	29,871	23,754	35,686	129,005
Lifetime ECL	(26)	(1,668)	(98)	(4,235)	(6,027)
Net receivable	39,668	28,203	23,656	31,451	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:

	2024	2023
	QR'000	QR'000
Balance at the beginning of the year	**6,027**	5,256
Provision during the year	**1,842**	771
Balance at the end of the year	**7,869**	6,027

11. CASH AND CASH EQUIVALENTS

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

	2024	2023
	QR'000	QR'000
Cash on hand	**5**	5
Bank balances	**15,837**	21,370
Short term time deposits	**263,000**	228,600
Cash and cash equivalents	**278,842**	249,975

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, Management estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Taking into account the historical default experience and the current credit ratings of the bank, the Management has assessed that there is no impairment and hence have not recorded any loss allowances on these balances.

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% (2023: 3% to 5.25%).

These deposits generated interest income of QR 9.91 million for the year ended December 31, 2024 (2023: QR 13.04 million) which is recorded under interest income in the statement of profit or loss and other comprehensive income.

12. SHARE CAPITAL

	2024	2023
	QR'000	QR'000
Authorised, issued and fully paid		
648,980,000 shares of nominal value 1 QR each	**648,980**	648,980

As at 31 December 2024, Qatar Foundation for Education, Science and Community Development and Ooredoo Q.P.S.C hold 259,592,006 and 64,898,001 shares, respectively, constituting 50% of the total shareholding.

13. LEGAL RESERVE AND SOCIAL AND SPORTS FUND

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 December 31, 2024, the legal reserve amounted QR 20.58 million (2023: QR 14.54 million). This reserve is not available for distribution.

13. LEGAL RESERVE AND SOCIAL AND SPORTS FUND

Social and Sports Fund:
According to Qatar Law No. 13 for the year 2008 and the related clarifications issued in January 2010 the Group is required to contribute 2.5% of annual net profits of the Group to the State Social and Sports Fund.

The clarification relating to Law No. 13 of 2008 requires the payable amount to be recognised as an appropriation of profit directly in the consolidated statement of changes in equity.

During the year ended December 31, 2024, the Group appropriated QR 1.51 million of the profit to Social and Sports Fund contribution (Note 17).

14. EMPLOYEES' END OF SERVICE BENEFITS

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

	2024	2023
	QR'000	QR'000
Balance at the beginning of the year	**11,251**	10,821
Expense for the year	**3,744**	3,368
Payments during the year	**(2,680)**	(2,938)
Balance at the end of the year	**12,315**	11,251

15. LEASE LIABILITIES

	2024	2023
	QR'000	QR'000
Balance at the beginning of the year	**158,330**	164,073
Additions/modifications	**2,426**	2,244
Accretion of finance cost	**8,309**	8,422
Principal element of lease payments	**(17,869)**	(16,409)
Balance at the end of the year	**151,196**	158,330

Presented in the consolidated financial position as follows:

	2024	2023
	QR'000	QR'000
Non-current lease liabilities	**141,292**	148,396
Current lease liabilities	**9,904**	9,934
	151,196	158,330

	2024	2023
	QR'000	QR'000
Maturity analysis		
Not later than 1 year	**9,904**	**9,934**
Later than 1 year and not later than 5 years	**30,302**	**33,712**
Later than 5 years	**110,990**	**114,684**
	151,196	**158,330**

15. LEASE LIABILITIES (CONTINUED)

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

16. BORROWINGS

	2024	2023
	QR'000	QR'000
Non-current borrowings	**108,192**	121,597
Current borrowings	**13,404**	13,404
	121,596	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.

The borrowing is subject to a covenant maintaining a Debt Service Cover Ratio ("DSCR") (capital and interest payments / Earnings Before Interest, Tax and Amortisation) of 1.25. At 31 December 2024 the Company's DSCR was 5.74 (2023: 5.61).

Borrowing finance costs incurred and recognized in the consolidated statement of profit or loss during the year amounted to QR 8.05 million (2023: QR 8.62 million).

17. TRADE AND OTHER PAYABLES

	2024	2023
	QR'000	QR'000
Trade payables	**15,806**	20,093
Accrued expenses	**72,859**	79,626
Retention payable	**5,489**	4,461
Payable to social and sports fund	**1,511**	1,505
Advances from customers	**4,167**	4,303
Other current liabilities	**84**	302
	99,916	110,290

18. DIVIDEND

The Board of Directors have proposed a cash dividend distribution of QR 0.08 per share for the year ended 31 December 2024. The proposed final dividend for the year ended 31 December 2024 will be submitted for approval at the Annual General Meeting.

18. DIVIDEND (CONTINUED)

The Board of Directors proposed a cash dividend distribution of QR 0.081 per share for the results of year ended 31 December 2023. This was subsequently approved by the shareholders during the Annual General Assembly held on 4 March 2024 and payment was made on 10 March 2024.

19. 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:

	2024	2023
	QR'000	QR'000
Sale of goods and services:		
Shareholders	**70,659**	75,438
Companies with common shareholder	**61,733**	60,888
	132,392	136,326

b) Balances arising from sales of goods/services

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

	2024	2023
	QR'000	QR'000
Trade receivables from related parties:		
Shareholders	**42,890**	31,872
Companies with common shareholder	**19,442**	21,806
	62,332	53,678
Provision for loss allowance	**(9,345)**	(9,959)
	52,987	43,719

	2024	2023
	QR'000	QR'000
Trade payables to related parties:		
Shareholders	**5,942**	5,456
Companies with common shareholder	**34**	737
	5,976	6,193

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 Group measures the loss allowance for due form related parties at an amount equal to lifetime ECL.

19. RELATED PARTY DISCLOSURES (CONTINUED)

The expected credit losses on trade receivables from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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:

	2024	2023
	QR'000	QR'000
Balance at the beginning of the year	**9,959**	8,530
(Recovery)/Provision during the year	**(614)**	1,429
Balance at the end of the year	**9,345**	9,959

c) Compensation of key management personnel

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

	2024	2023
	QR'000	QR'000
Short-term benefits	**13,104**	12,994
Long-term benefits	**--**	--
	13,104	12,994

20. 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.

	2024	2023
	QR'000	QR'000
Revenue – at a point of time:		
Solutions services	**53,159**	113,022
Revenue – over time:		
Data centre and managed services	**272,169**	248,102
Workplace services	**14,332**	15,016
Solutions services	**11,753**	21,736
Master system integrator services	**7,340**	8,188
Cloud services	**15,462**	16,853
	374,215	422,917

20. REVENUE (CONTINUED)

The current portion of the deferred revenue referred to as "contract liabilities" in the consolidated statement of financial position amounting to QR 8.02 million (2023: QR 16.10 million) is expected to be recognised as revenue during 2025. The non-current portion of contract liabilities amounting to QR 33.45 million (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 1,605.70 million (2023: QR 1,240.59 million).

21. COST OF SALES

	2024	2023
	QR'000	QR'000
Software, hardware and license cost	**81,858**	120,752
Outsourcing and third party cost	**50,526**	58,761
Depreciation of property, plant and equipment (Note 5)	**41,671**	44,602
Salaries, wages and other benefits	**41,481**	39,532
Data centre management costs	**30,740**	35,892
Depreciation of right-of-use assets (Note 6)	**9,288**	8,576
Others	**400**	82
	255,964	308,197

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	QR'000	QR'000
Staff costs and allowances	**33,393**	31,736
Depreciation of property, plant and equipment (Note 5)	**3,040**	3,044
Professional fees (i)	**2,531**	1,699
Depreciation of right-of-use assets (Note 6)	**2,378**	2,378
Insurance	**1,537**	1,584
Directors' remuneration	**1,130**	1,022
Rent	**1,031**	1,006
Office expenses	**916**	910
Marketing costs	**520**	358
Expected credit losses (net)	**1,228**	2,200
Others	**3,736**	3,909
	51,440	49,846

(i) Professional fees include audit's remuneration of audit of financial statements related fees for an amount of QR 0.52 million (2023: QR 0.49 million) and services other than audit for an amount of QR 0.02 million (2023: QR 0.02 million).

23. COMMITMENTS AND CONTINGENT LIABILITIES

	2024	2023
	QR'000	QR'000
Performance guarantee	**96,948**	77,876
Tender bond and other guarantees	**37,165**	35,629

24. BASIC AND DILUTED EARNINGS PER SHARE

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

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

	2024	2023
Profit attributable to the equity holders for the year ("in thousands")	**60,430**	60,216
Weighted average number of shares outstanding during the year	**648,980**	648,980
Basic and diluted earnings per share (expressed in QR per share)	**0.09**	0.09

The figures for basic and diluted earnings per share are the same, as the Group has not issued any instruments that would impact the earnings per share when exercised.

25. FINANCIAL INSTRUMENTS

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

a. 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.

b. Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

25. FINANCIAL INSTRUMENTS (CONTINUED)

b. Reconciliation of liabilities arising from financing activities (continued)

	At January 1, 2024	Financing cash flows	Non-cash changes	At December 31, 2024
	QR'000	**QR'000**	**QR'000**	**QR'000**
Lease liabilities	**158,330**	**(17,869)**	**10,735**	**151,196**
Borrowings	**135,001**	**(13,405)**	**--**	**121,596**
	293,331	**(31,274)**	**10,735**	**272,792**

	At January 1, 2023	Financing cash flows	Non-cash changes	At December 31, 2023
	QR'000	QR'000	QR'000	QR'000
Lease liabilities	164,074	(16,410)	10,666	158,330
Borrowings	148,406	(13,405)	--	135,001
	312,480	(29,815)	10,666	293,331

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to the shareholders.

The following summarises the capital structure of the Group:

	2024	2023
	QR'000	QR'000
Borrowings	**(121,596)**	(135,001)
Cash and cash equivalents	**278,842**	249,975
Net cash and cash equivalents	**157,246**	114,974
Total equity	**725,687**	719,459
Gearing ratio	**21.67%**	15.98%

The capital structure of the Group comprises of capital, reserves, and retained earnings. The Company sets the amount of capital in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

27. FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility over the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's risk management policies are establish to identify and analyse the risks face by the Group, to set appropriate risk limits and control and to monitor risk and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Group audit committee oversees how management monitors compliance with the Group's risk management and procedures and review the adequacy of the risk management framework in relation to the risk faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency risks and interest rate risks.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by entering the transactions substantially in Qatari Riyal (QR) and United States Dollar (USD), which is pegged to Qatari riyal.

Interest rate risk management

The Group's exposure to interest rate risk is limited as it borrows and deposits funds at market rates. The loan appearing in the books of the Company (Note 16) is carried at floating rate and the borrowing finance cost incurred during 2024 is QR 8.05 million (2023: QR 8.62 million). Interest income during 2023 is QR 9.91 million (2023: QR 13.04 million).

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at December 31, 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default.

The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk management (continued)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank. Accordingly, 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 past due, and considering the historical default experience and the current credit ratings of the banks, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	When there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	When there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that there is a severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets by credit risk rating grades:

December 31, 2024	**Note**	**12-month or lifetime ECL**	**Gross carrying**	**Loss allowance**	**Net carrying Amount**
			QR '000	**QR '000**	**QR '000**
Bank balances	11	12-month ECL	**278,842**	**--**	**278,842**
Trade receivables	10	Lifetime ECL	**89,133**	**(7,869)**	**81,264**
Contract assets	7	Lifetime ECL	**136,438**	**--**	**136,438**
Trade receivables from related parties	19	Lifetime ECL	**62,332**	**(9,345)**	**52,987**

December 31, 2023	Note	12-month or lifetime ECL	Gross carrying	Loss allowance	Net carrying Amount
			QR '000	QR '000	QR '000
Bank balances	11	12-month ECL	249,975	--	249,975
Trade receivables	10	Lifetime ECL	129,005	(6,027)	122,978
Contract assets	7	Lifetime ECL	131,710	--	131,710
Trade receivables from related parties	19	Lifetime ECL	53,678	(9,959)	43,719

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 reputation.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table are the contractual discounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

At December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Trade and other payables	**99,916**	--	--	--	**99,916**
Trade payables to related parties	**5,976**	--	--	--	**5,976**
Lease liabilities	**9,904**	**9,682**	**20,620**	**110,990**	**151,196**
Borrowings	**13,404**	**13,404**	**40,212**	**54,576**	**121,596**
	129,200	**23,086**	**60,832**	**165,566**	**378,684**

At December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Trade and other payables	110,290	--	--	--	110,290
Trade payables to related parties	6,193	--	--	--	6,193
Lease liabilities	9,934	9,440	24,272	114,684	158,330
Borrowings	13,404	13,404	40,212	67,981	135,001
	139,821	22,844	64,484	182,665	409,814

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk management (continued)

At December 31, 2024	**Less than 1 year**	**Between 1 and 2 years**
	QR'000	**QR'000**
Trade receivables	**81,264**	--
Trade receivables from related parties	**52,987**	--
	134,251	--

At December 31, 2023	Less than 1 year	Between 1 and 2 years
	QR'000	QR'000
Trade receivables	122,978	--
Trade receivables from related parties	43,719	--
	166,697	--

28. 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.

29. SUBSEQUENT EVENT

There is no subsequent event, except as disclosed in Note 18, that may have an impact in the financial statements.

30. APPROVAL OF THE CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information were approved by the Board of Directors and authorised for issue on 4 February 2025.