MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

Russell Bedford & Partners
Certified Public Accountants

Offices 3-4, Floor 2, Building 209
Street 230, C-Ring, Zone 42
P.O. Box 47539, Doha – State of Qatar

T: +974 4462 6506
F: +974 4435 2199
E: inquiry@russellbedford.qa
W: www.russellbedford.qa

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

Report on the audit of the combined financial statements

Opinion

We have audited the accompanying combined financial statements of Mekdam Holding Group – Q.P.S.C. (the "Parent Company") and its subsidiaries (together the "Group"). as of December 31, 2021, and the related combined statements of profit or loss and other comprehensive income, combined changes in shareholders' equity and combined cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Group as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the accompanying financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the ethical requirements that are relevant to our audit of the accompanying financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board for Accountants' Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the combined financial statements of the current period. These matters were addresses in the context of our audit combined financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters we have determined the matters described below to be the key audit matter to be communicated in our report.

DESCRIPTION OF KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR REPORT
Revenue recognition and impairment of financial and contract assets - refer to notes (3/f), (3/o), 10, 17, 24 of the combined financial statements	
We focus on these areas because:	Our audit procedure in these areas included among others:
– The group generates revenue of 284,264,816 (2020: QR. 146,334,982) from the diversified revenue streams mainly from: a) Technology services b) Technical services. c) Centralized Alarm Monitoring System services.	– Evaluating the appropriateness of the selection of accounting policies for the new contracts entered during the year based on the requirements of IFRS 15 and our understanding of the different sources of revenue of the group.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter (Continued)

DESCRIPTION OF KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR REPORT
Revenue recognition and impairment of financial and contract assets - refer to notes (3/f), (3/o), 10, 17, 24 of the combined financial statements (Continued) We focus on these areas because: – The group makes significant assumption/judgments to measure and recognise revenue in particular identification of performance obligations, allocation of transaction price, estimating costs to complete, timing of revenue recognition and corresponding receivables from contract assets. – The group's financial and contract assets subject to credit risk were QR. 9,250,000 as at December 31, 2021 (2020: QR. 6,250,000), hence a material portion of the combined statement of financial statement position. – Expected credit loss assessment for financial and contract assets invoices: a) Complex accounting requirements, including assumptions, estimates and judgments underlying the detestation of impairment. b) Susceptibility to management bias when making judgments to determine expected credit loss outcomes; and c) Complex disclosure requirements.	Our audit procedure in these areas included among others (Continued): – Assessing the appropriateness of management's revenue recognition under IFRS 15 across significant revenue streams for a sample of new contracts entered during the year; – Assessing the appropriateness of the key inputs and assumptions used by the management to allocate contract revenue over performance obligations for a sample of new contracts entered during the year; – Assessing appropriateness of assumptions and judgments made to measure and assess the transaction price and its allocation over performance obligations for a sample of new contracts entered during the year based on our experience and industry practice. – Challenging the reasonableness of estimates made regarding the cost completion, profit margins for each contract based on our experiences and industry benchmarks; – Assessing whether group's policies and processes for making these estimates are appropriate and are applied consistently to all contracts of a similar nature. – Evaluating the reasonableness of management's key judgments and estimates made in calculation of expected credit loss; – Evaluating the completeness accuracy and relevance of data used in expected credit loss calculation; and – Evaluating the adequacy of the financial statement disclosure including key assumptions and judgments.

Other information
The board of directors is responsible for the other information. The other information comprises the information included in the Group's annual report of 2021 but does not include the Group's combined financial statements and our auditor's report thereon. Prior to date of this auditor's report. We obtained the report of the board of directors which forms part of the annual report, and the remining sections of the annal report are expected to be made available to us after the date of this auditor's report.

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

Our opinion on the combined financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

When we read annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter with the board directors

Responsibilities of board of directors for the combined financial statements
Board of directors are responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards and applicable provisions of Qatar Commercial Companies Law, and for such internal control as the board of directors determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of board of directors for the combined financial statements (Continued)
In preparing the combined financial statements, the board of 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 board of directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the combined financial statements
Our objectives are to obtain reasonable assurance about whether the combined 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other legal and regulatory requirements
We have obtained all information and explanations we considered necessary for the purposes of our audit. the Group has maintained proper accounting records and its financial statements are in agreement therewith. We are not aware of any violations of the Qatar Commercial Companies' Law No. 11 of 2015 or the terms of Group's Articles of Association and any amendments thereto having occurred during the year which might have had a material adverse effect on the business of the Group or on its combined financial position.

For Russell Bedford & Partners
Certified Public Accountants

Russell Bedford & Partners Certified Public Accountants
Russell Bedford taking you further
CR No. 143061 | Doha, State of Qatar
رسل بدفورد وشركاه

Hani Mukhaimer
License No. (275)

Doha – Qatar
January 27, 2022

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

COMBINED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2021

	Notes	December 31, 2021 QAR	December 31, 2020 QAR
ASSETS:			
Non-current assets:			
Property and equipment	4	31,066,974	30,657,342
Available for sale investment		-	240,392
Right of use assets	5	2,994,135	4,288,532
Retention receivables	6	11,459,671	2,487,202
Total non-current assets		**45,520,780**	**37,673,468**
Current assets:			
Inventories	7	6,155,277	4,355,456
Accounts receivable and other debit balances	8	90,931,998	37,935,216
Advance payments to suppliers and subcontractors	9	14,898,177	4,170,499
Contract assets	10	26,184,065	4,477,136
Due from a related party		-	54,527
Cash and bank balances	11	18,042,716	14,790,116
Total current assets		**156,212,233**	**65,782,950**
TOTAL ASSETS		**201,733,013**	**103,456,418**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' equity:			
Share capital	12	50,000,000	10,000,000
Legal reserve	13	2,855,579	4,211,638
Retained earnings		35,523,735	45,611,885
Total shareholders' equity		**88,379,314**	**59,823,523**
Non-current liabilities:			
Loans and borrowings	14	5,096,549	11,357,050
Provision for employees' end of service benefits	15	3,526,480	2,435,820
Lease liability		1,518,138	2,818,178
Total non-current liabilities		**10,141,167**	**16,611,048**
Current liabilities:			
Loans and borrowings	14	25,086,079	3,941,040
Accounts payable and other credit balances	16	76,650,456	21,610,453
Lease liability	5	1,475,997	1,470,354
Total current liabilities		**103,212,532**	**27,021,847**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**201,733,013**	**103,456,418**

The Chief Finance Officer and the Chief Executive Officer attest to the accuracy and completeness of the accompanying combined financial statements and the combined financial information of this report as at December 31, 2021.

....	....
Mohamed Mudassir Ali	***Ehab Naser***
Group CFO	Group CEO

The accompany combined financial statements were approved to issue by the board of directors on January 27, 2022 and signed on behalf board of directors by:

....

Mohamed Nawaf NBK Al-Thani
Chairman

Russell Bedford & Partners Certified Public Accountants
FOR IDENTIFICATION PURPOSES ONLY

مجموعة مقدام القابضة ش.م.ع.ق
MEKDAM HOLDING GROUP Q.P.S.C
C.R.: 115142
Capital QAR 50,000,000
P.O.Box 17654
Doha, Qatar

The accounting policies and notes as set out in pages 05 to 24 form an integral part of these combined financial statements.

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	Year ended December 31, 2021 QAR	2020 QAR
Revenue	17	284,264,816	146,334,982
Cost of operations	18	(224,967,106)	(96,286,011)
Gross profit		**59,297,709**	**50,048,971**
Other income		31,625	-
General and administrative expenses	19	(26,502,852)	(24,189,429)
Losses on impairment of financial assets	8	(1,455,059)	(655,265)
Operating profit for the year		**31,371,424**	**25,204,277**
Listing expenses		(2,376,604)	(441,640)
Finance cost	20	(439,029)	(1,184,621)
Net profit for the year		**28,555,792**	**23,578,016**
Other comprehensive income		-	-
Total comprehensive income for the year		**28,555,792**	**23,578,016**
Basic earning per share	21	0.571	0.472

The accounting policies and notes as set out in pages 05 to 24 form an integral part of these combined financial statements.

Russell Bedford & Partners
Certified Public Accountants
FOR IDENTIFICATION PURPOSES ONLY
C.R. No.: 143061 | Doha - State of Qatar
رسل بدفورد وشركاه

COMBINED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

	Share capital QAR	Legal reserve QAR	Shareholders' current accounts QAR	Retained earnings QAR	Total QAR
Balance at January 01, 2020	10,000,000	1,384,933	22,640,086	41,439,673	75,464,692
Net profit for the year	-	-	-	23,578,016	23,578,016
Dividend distribution	-	-	-	(16,579,099)	(16,579,099)
Transferred to legal reserve	-	2,826,705	-	(2,826,705)	-
Net movement in shareholders' current accounts	-	-	(22,640,086)	-	(22,640,086)
Balance at December 31, 2020	**10,000,000**	**4,211,638**	**-**	**45,611,885**	**59,823,523**
Transferred to increase share capital	40,000,000	(4,211,638)		(35,788,362)	-
Net profit for the year	-	-	-	28,555,792	28,555,792
Transferred to legal reserve	-	2,855,579	-	(2,855,579)	-
Balance at December 31, 2021	**50,000,000**	**2,855,579**	**-**	**35,523,735**	**88,379,314**

The accounting policies and notes as set out in pages 05 to 24 form an integral part of these combined financial statements.

Russell Bedford & Partners
Certified Public Accountants
FOR IDENTIFICATION PURPOSES ONLY
C.R. No.: 143061 | Doha - State of Qatar
رسل بدفورد وشركاه

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

COMBINED STATEMENT CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	Year ended December 31, 2021 QAR	2020 QAR
Cash flows from operating activities:			
Net profit for the year		28,555,792	23,578,016
Adjustments for:			
Depreciation of property and equipment	4	1,372,864	1,283,129
Provision for allowance for impairment of receivables		1,300,000	600,000
Provisions for slow moving and obsolete inventories		-	1,100,000
Provisions for employee's end of service benefits	15	1,412,100	1,787,043
Finance cost		439,029	1,184,621
Operating income before changes in working capital		**33,079,784**	**29,532,809**
Changes in:			
Inventories		(1,799,821)	(1,540,739)
Accounts receivable and other debit balances		(54,296,782)	4,898,823
Advance payments to suppliers and subcontractors		(10,727,678)	(373,460)
Retention receivables		(8,972,469)	1,931,928
Contract assets		(21,706,929)	9,223,447
Due from related parties		54,527	14,235,052
Accounts payable and other credit balances		55,040,003	(4,620,925)
Due to related parties		-	(582,335)
Cash (used in)/generated from operating activities		**(9,329,366)**	**52,704,600**
Employees end of service benefit paid	15	(321,440)	(390,558)
Finance cost		(439,029)	(1,184,621)
Net cash (used in)/generated from operating activities		**(10,089,834)**	**51,129,421**
Cash flows from investing activities:			
Acquisition of property and equipment	4	(1,782,496)	(2,710,805)
Net movement of investment in subsidiary		-	1,138,392
Net movement of available for sale investment		240,392	(240,392)
Net cash used in investing activities		**(1,542,104)**	**(1,812,805)**
Cash flows from financing activities:			
Net movement in loans and borrowings		14,884,538	(9,881,539)
Profit distribution		-	(16,579,099)
Net movement in shareholders' current accounts		-	(22,640,086)
Net movement in restricted cash		(7,345,196)	5,988,462
Net cash generated from/(used in) financing activities		**7,539,341**	**(43,112,262)**
Net (decrease)/increase in cash and cash equivalents		(4,092,597)	6,204,354
Cash and cash equivalents - at January 01,	11	10,035,903	3,831,549
Cash and cash equivalents - at December 31,	11	**5,943,306**	**10,035,903**

The accounting policies and notes as set out in pages 05 to 24 form an integral part of these combined financial statements.

Russell Bedford & Partners Certified Public Accountants
FOR IDENTIFICATION PURPOSES ONLY

1. THE COMPANY FORMATION AND ACTIVITIES:

Mekdam Holding Group – Q.P.S.C. ("the Parent Company") and its subsidiaries (together referred as the "Group"). The Parent Company is domiciled in the State of Qatar under the Commercial Registration number 115142. The parent Company's registered office is at P.O. Box 17654, Doha, State of Qatar. The Parent Company acts as a holding Company.

Mekdam Holding Group was approved by QFMA on July 8, 2021, to be listed on the Venture Market – Qatar Stock Exchange. Therefore, it was changed into a Public Shareholding Company by the Minster of Commerce and Industry resolution number 45 for the year 2021 issued on June 30,2021.

The main activities of the Group are the patent for the inventions, Commercial business, privileges and other intangible rights with utilizing from them and leasing them to the affiliate companies or others, participation in the management of the subsidiaries or which it has shares in, providing the necessary support to its subsidiaries, owning movables and real estate businesses within the limits permitted by law and investing its funds in shares, bonds and securities.

During the year the group have been added companies " Mekdam Integrated and Mekdam Steel " to combined financial statement.

"The Combined Financial Statements of following entities which are currently fully owned by Mekdam Holding Group are combined in these "Combined Financial Statements"

NAME OF COMPANY	COMMERCIAL REGISTER	YEAR OF INCORPORATION	ACTIVITY NAME	OWNERSHIP
Mekdam Technology – W.L.L.	103277	2017	• Extension of electrical networks • Information technology consultancy • Designing production programs of oil and gas fields • Testing and operation the equipment and electrical appliances	100% Mekdam Holding Group
Mekdam CAMS – W.L.L.	103562	2017	Installation and maintenance of alarm safety materials and equipment	100% Mekdam Holding Group
Mekdam Technical Services – W.L.L.	103070	2017	Managing and operating the professionals' labours	100% Mekdam Holding Group
Gulf Security System – W.L.L.	103565	2017	Installation, operation and maintenance of cameras and security surveillance	• 50% Mekdam Technology • 50% Mekdam Technical Services
Mekdam Integrated Trading and Contracting – W.L.L.	159620	2021	Trade in machinery and light equipment	• 51% Mekdam Technology • 49% Mekdam Technical Services
Mekdam Steel Services and contracting – W.L.L.	160930	2021	- Metal fixture works - Electrical and mechanical contracting - Installation of wooden doors and door frames	• 51% Mekdam Technology • 49% Mekdam Technical Services

The combined financial statements were approved and signed on behalf of the Group on January 27, 2022.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS:

2 a) New and amended IFRS and IFRIC Interpretations effective in 2021:

The accounting policies used in the preparation of the Company financial statements are consistent with those used in the preparation of the financial statements for the year ended December 31, 2020, except for the adoption of new and amended standards and interpretations effective as noted below:

TOPIC	EFFECTIVE DATE
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *"Interest Rate Benchmark Reform — Phase 2"*	January 01, 2021
Amendment to IFRS 16 *"Covid-19-Related Rent Concessions"*	April 01, 2021

2 b) Standards issued but not yet effective:

A number of new standards and amendments to standards are effective for annual periods beginning after January 01, 2021. However, the Company has not applied the following new or amended standards in preparing these financial statements:

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 *"Classification of Liabilities as Current or Non-Current"*	January 01, 2022
Amendments to IFRS 3 *"Reference to the Conceptual Framework"*	January 01, 2022
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 01, 2022
Amendments to IAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"	January 01, 2022
Annual Improvements to IFRS Standards 2018–2020 "Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41"	January 01, 2022
IFRS 17 "Insurance Contracts"	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"	January 01, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 01, 2023

3. SIGNIFICANT ACCOUNTING POLICIES:

3 a) Basis of accounting:

These financial statements have been prepared on historical cost basis. The entity's financial statements are presented in Qatari Riyal, which is the Group's functional currency. All amounts have been rounded to the nearest Qatari Riyals, unless otherwise indicated.

3 b) Statement of compliance:

These financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable requirements of Qatar Commercial Companies' Law No. 11 of 2015.

3 c) Foreign currencies:

Transactions in foreign currencies are recorded in Qatari Riyal at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into Qatari Riyal at the rate of exchange ruling at the date and the resultant gains or losses are included in the statement of income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 d) Property and equipment:

i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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. Any gain or loss on disposal of an item of property and equipment is recognized in profit and loss account.

ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognized in profit or loss to the extent that is reverses a previous impairing loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve. Any loss is recognized in profit or loss.

iii) Subsequent expenditure

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

iv) Depreciation

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

The estimated useful lives of property and equipment are as follows:

Furniture, fixtures, and office equipment	3 – 5 years
Computer and software	3 – 5 years
Motor vehicles	3 – 5 years
Tools and equipment	3 – 5 years

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

3 e) Capital work in progress:

All expenditures and costs incurred in the development during construction phase are capitalized and are initially recorded as capital work in progress. These costs will be transferred to property and equipment when the assets are ready for their intended use.

3 f) Classification and measurement of financial assets and financial liabilities:

i) Initial recognition

On initial recognition, a financial asset is classified as:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) - debt investment;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit or loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 f) Classification and measurement of financial assets and financial liabilities (Continued):

i) Initial recognition (Continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL (Continued):

- Its contractual terms give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding (SPPI).

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This selection is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

ii) Subsequent measurement

The following accounting policies apply to the subsequent measurement of the Group's financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

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

Financial assets at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

iii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The financial assets at amortized cost consist of accounts and other receivables and cash and cash equivalents under IFRS 9, and loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for its financial assets at an amount equal to 12-month ECLs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 f) Classification and measurement of financial assets and financial liabilities (Continued):

iii) Impairment of financial assets (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due. The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is more than 365 days past due.

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate (EIR) of the financial asset.

Credit-impaired financial assets

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

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to accounts and other receivables, amount due from related parties and cash and cash equivalents are presented as a separate line item in the statement of profit or loss.

iv) Other financial assets

Equity securities that are held for trading are required to be held as FVPL under IFRS 9. There was no impact on the amounts recognized in relation to these assets from the adoption of IFRS 9. Trade and other receivables (except for those subject to provisional pricing arrangements) and amount due from related parties are debt instruments currently classified as loans and receivables and measured at amortized cost under IAS 39. The Group assessed that they meet the conditions for classification at amortized cost under IFRS 9 since they are cash flows solely payments of principal and interest (SPPI) and the Group's business model is to hold and collect the debt instrument. Cash and cash equivalents' definition as per IAS 7 remains unchanged with the application of IFRS 9, short-term investments and time deposits will continue to be presented under cash and cash equivalents, being highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

v) Financial liabilities

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. De-recognition rules have been transferred from IAS 39 Financial Instruments. Therefore, recognition and measurement of financial liabilities, have not been changed.

3 g) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost (WAC) principle.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 h) Income tax:

Income Tax is provided in accordance with Qatar Income Tax Regulations set out in Qatar Income Tax Law No. 24 of 2018. Income tax expense comprises current tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

3 i) Leases:

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The IFRS 16 has resulted in almost all leases being recognized on the statement of financial position by lessee, as the distinction between operating and finance leases is removed. Under the IFRS 16, an asset "right-of-use assets" and "lease liability" are recognized. However, the Management assessment has been performed on an absolute basis to ensure whether the underlying asset is of lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option "short-term leases", and lease contracts for which the underlying asset is of low value "low-value assets". Consequently, it has been decided by the Management to apply the exemptions criteria of short-term leases' and low-value assets as promulgated by the IFRS 16. Therefore, the Group has recognized the lease payments associated with the leases as an expense through the statement of profit or loss and other comprehensive income and future portion has been disclosed as commitments.

Right of use asset

– *Initial recognition and measurement*

The cost of the right-of-use asset shall comprise:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the lessee; and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

– *Subsequent measurement*

The leases can apply either cost model or other measurement model as described in IFRS 16.

<u>Cost model:</u>

The Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

<u>Other measurement model:</u>

If the Group applies the fair value model in IAS 40 Investment Property to its investment property, the lessee shall also apply that fair value model to right-of-use assets that meet the definition of investment property in LKAS 40. If right-of-use assets relate to a class of property, plant and equipment to which the lessee applies the revaluation model in IAS 16 16, the Group may elect to apply that revaluation model to all of the right-of-use assets that relate to that class of property, plant and equipment.

– *Depreciation*

The Group applies the depreciation requirements in IAS 16 – "Property, Plant and Equipment" in depreciating the right-of-use asset. The Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 i) Leases (Continued):

Right of use asset (Continued)

– *Depreciation (Continued)*
Based on the contract entered, the right of use asset is depreciated over the following period:

Office rent	3 years

i) Initial measurement
At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the Group's incremental borrowing rate.

ii) Subsequent measurement
The Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

3 j) Payables and accruals:
Payables and accruals are stated at their cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed or not to the Group.

3 k) Provisions:
Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3 l) Related parties:
The Group, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. These transactions have been carried out on the basis of terms agreed between the Group and the management of such related parties.

3 m) Borrowings:
Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

3 n) Employees' end of service benefits:
Employees' end of service benefits represents terminal gratuity and are provided for services rendered based on entitlements stipulated in the employees' contracts of employment and their length of service, subject to the completion of a minimum service period. End of service indemnities are provided in accordance with the Qatari Labor Law. Under law no. 24 of 2002.

3 o) Revenue recognition:

Revenue from contracts with customers
The Group recognizes revenue from contracts with customers based on a five-step model as out in IFRS 15:

Step 01: Identified the contract(s) with a customer
A contract is defined as an agreement between two or more parties that crates enforceable right and obligations and sets out the criteria for every contract that must be met.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 o) Revenue recognition (Continued):

Revenue from contracts with customers (Continued)

Step 02: Identified the performance obligation in the contract
A performance obligation is promise in a contract with a customer to transfer a good or service to the customer.

Step 03: Determine the transaction price
The transaction price is the amount of considering to which the Group expects to be entitled in exchange for transferring promised goods or service to a customer, excluding amount collected on behalf of third parties.

Step 04: Allocate the transaction price to the performance obligation in the contract
For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount in exchange for satisfying each performance obligation.

Step 05: Recognize revenue when (or as) the Group satisfies a performance obligation
The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performance: or
- The Group's performance creates or enhances an asset that the customer controls a ss the assets is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

For the performance obligation where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or service it creates a contract asset based on the amount of consideration earned by the performance. When the amount of consideration received from a customer exceeds the amount of revenue recognized this give rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Group assesses its revenue arrangement against specific criteria to determine if it is acting as principle or agent. The Group has concluded that it is acting as a principle in all of its revenue arrangements.

Revenue is recognizing in the statement of profit or loss to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable can be measured reliably.

Sale of goods
Revenue is recognized when the control of the goods is transferred to the buyer.

Revenue is recognized when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time as which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Other income
Revenue is recognized when earned.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3 p) Critical accounting 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 judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associates assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimated are recognized 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.

Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net assets, working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which are based on expected usage of the asset. Expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value.

Impairment of financial assets

The Group's management reviews periodically items classify as receivables to assess whether a provision for impairment should be recorded in the statement of profit or loss and other comprehensive income. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old, unusable or obsolete, an estimate is made of their net realizable value. For individual significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence, based on historical selling price.

Provision for employees' end of service benefits

Management has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the relevant labor laws. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Contingent liabilities

Contingent liabilities are determined by the likelihood of occurrence or non-occurrence of one or more uncertain future events. Assessment of contingent liabilities is tightly connected with development of significant assumptions and estimates relating to the consequences of such future events.

4. PROPERTY AND EQUIPMENT:

	Furniture, fixtures and office equipment	Motor vehicles	Tools and equipment	Land	Capital work-in-progress	Total
	QAR	QAR	QAR	QAR	QAR	QAR
Cost:						
Balance at January 01, 2020	2,436,643	323,500	168,219	27,272,000		30,200,362
Additions during the year	1,219,255	1,431,256	60,294	-		2,710,805
Balance at December 31, 2020	**3,655,898**	**1,754,756**	**228,513**	**27,272,000**		**32,911,167**
Additions during the year	369,031	1,002,669	243,064	-	167,732	1,782,496
Disposals during the year	(5,399)	-	-	-	-	(5,399)
Balance at December 31, 2021	**4,019,530**	**2,757,425**	**471,577**	**27,272,000**	**167,732**	**34,688,264**
Accumulated depreciation:						
Balance at January 01, 2020	888,060	54,596	28,040	-	-	970,696
Charge for the year	1,056,578	165,895	60,656	-	-	1,283,129
Balance at December 31, 2020	**1,944,638**	**220,491**	**88,696**	**-**	**-**	**2,253,825**
Charge for the year	862,932	416,474	93,458	-	-	1,372,864
Related to disposals during the year	(5,399)					(5,399)
Balance at December 31, 2021	**2,802,171**	**636,965**	**182,154**	**-**	**-**	**3,621,290**
Net book value:						
At December 31, 2020	1,711,260	1,534,265	139,817	27,272,000	-	30,657,342
At December 31, 2021	**1,217,359**	**2,120,460**	**289,423**	**27,272,000**	**167,732**	**31,066,974**
Depreciation rates	20 - 35%	20 - 25%	20 - 35%			

5. LEASES:

	December 31, 2021 QAR	December 31, 2020 QAR
5 a) Right of use assets		
Balance at the beginning of the year	4,288,532	4,413,932
Accumulated amortization of right of use assets	(1,294,397)	(125,400)
Balance at the ended of the year	**2,994,135**	**4,288,532**
5 b) Lease liability		
Balance at the beginning of the year	4,288,532	4,413,932
Lease Liability settled during the year	(1,294,397)	(125,400)
Balance at the ended of the year	**2,994,135**	**4,288,532**
Lease liability - non-current liabilities	1,518,138	2,818,178
Lease liability - current liabilities	1,475,997	1,470,354
Total lease liability	**2,994,135**	**4,288,532**

6. RETENTION RECEIVABLES:

Movement in retention receivables is presented as follows:

	December 31, 2021 QAR	December 31, 2020 QAR
Balance at the beginning of the year	2,487,202	4,419,130
Movements during the year	8,972,469	(1,931,928)
Balance at the end of the year	**11,459,671**	**2,487,202**

7. INVENTORIES:

	December 31, 2021 QAR	December 31, 2020 QAR
Material stocks	7,365,707	6,455,456
Less : Provision of impairment inventory	(1,210,429)	(2,100,000)
Total	**6,155,277**	**4,355,456**

7 a) Movement in provision for slow moving and obsolete inventories is presented as follows:

	December 31, 2021 QAR	December 31, 2020 QAR
Balance at the beginning of the year	2,100,000	1,000,000
Movement during the year	(889,571)	1,100,000
Balance at the end of the year	**1,210,429**	**2,100,000**

8. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES:

	December 31, 2021 QAR	December 31, 2020 QAR
Accounts receivable		
Accounts receivable (Note 8 b)	98,542,173	38,318,850
Less: Allowance for impairment of receivables (Note 8 d)	(9,250,000)	(6,250,000)
Fair value of accounts receivable	**89,292,173**	**32,068,850**

8. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES (CONTINUED):

	December 31, 2021 QAR	December 31, 2020 QAR
Notes receivable		
Post dated cheques receivable	135,183	5,875,449
Less: Provision for doubtful debts	-	(1,700,000)
Fair value of notes receivable	**135,183**	**4,175,449**
Total fair value of account receivable and notes receivable	**89,427,356**	**36,244,299**
Other debit balances		
Prepaid expenses	859,659	670,160
Due from staff	114,895	17,001
Security deposits receivable	108,761	43,240
Other debit balances	421,328	960,516
Total accounts receivable and other debit balances	**90,931,998**	**37,935,216**

8 a) The average credit period on invoicing of goods is 90 days.

8 b) The aging of the accounts receivable is as follows:

	December 31, 2021 QAR	December 31, 2020 QAR
i) Aging of neither past due nor impaired		
Up to 30 days	**75,326,061**	**26,884,838**
ii) Aging of past due but not impaired		
31 - 60 days	8,442,014	2,517,398
61 - 90 days	1,508,639	1,503,065
Above 90 days	4,015,460	1,163,549
	13,966,112	**5,184,012**
iii) Aging of past due impaired		
Above 90 days	**9,250,000**	**6,250,000**
Total	**98,542,173**	**38,318,850**

8 c) Movement in allowance for impairment of receivables is presented as follows:

	December 31, 2021 QAR	December 31, 2020 QAR
Balance at the beginning of the year	7,950,000	7,350,000
Written off during the year	(155,059)	(55,265)
Provision during the year	1,455,059	655,265
Balance at the end of the year	**9,250,000**	**7,950,000**

8 d) In determining the recoverability of accounts receivable, the Company considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. The concentration of credit risks is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the existing provision.

9. ADVANCE PAYMENTS TO SUPPLIERS AND SUB-CONTRACTORS:

Movement in advance payments to suppliers is presented as follows:

	December 31, 2021 QAR	December 31, 2020 QAR
Balance at the beginning of the year	4,170,499	3,797,039
Movements during the year	10,727,678	373,460
Balance at the end of the year	**14,898,177**	**4,170,499**

10. CONTRACT ASSETS:

	December 31, 2021 QAR	December 31, 2020 QAR
Value of work performed at cost plus attributable profit	573,144,971	366,570,773
Billings on contracts in progress	(546,960,906)	(362,093,637)
Amount due from customers for contract works	**26,184,065**	**4,477,136**

11. CASH AND BANK BALANCES:

	December 31, 2021 QAR	December 31, 2020 QAR
Cash in hand	4	4
Cash at bank - Current accounts	5,804,534	10,016,144
- Credit card accounts	138,769	19,755
Cash margin held against bank guarantees - restricted cash	12,099,409	4,754,213
Total	**18,042,716**	**14,790,116**

11 a) For the purpose of cash flows statement, the amount of cash and cash equivalents is presented as follows:

	December 31, 2021 QAR	December 31, 2020 QAR
Total cash and cash equivalents	18,042,716	14,790,116
Restricted cash (Cash margin held against bank guarantees)	(12,099,409)	(4,754,213)
Net cash available for use	**5,943,306**	**10,035,903**

12. SHARE CAPITAL:

The Company's issued share capital as per Commercial registration number 115142 is QAR 50,000,000 and is fully paid as at December 31, 2021.

	December 31, 2021 QAR	December 31, 2020 QAR
Balance at the beginning of the year	10,000,000	10,000,000
Increase during the year	40,000,000	-
Total	**50,000,000**	**10,000,000**

13. LEGAL RESERVE:

In accordance with Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, 10% of net income for the year is required to be transferred to the legal reserve until the reserve equals 50% of the paid capital. This reserve is not available for distribution except in circumstances stipulated in the Commercial Companies Law.

The opening balance of the legal reserve was used during the period to increase the share capital as stated in Note (12).

14. BANK LOANS AND BORROWING:

	December 31, 2021 QAR	December 31, 2020 QAR
Non-current liabilities		
Non current secured bank loans	5,096,549	11,357,050
Current portion of secured bank loans	25,086,079	3,941,040
Total bank loans and borrowings	**30,182,628**	**15,298,090**

14. BANK LOANS AND BORROWING (CONTINUED):

14 a) Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	December 31, 2021 QAR	December 31, 2020 QAR
Term Loan	QAR	5.75%	2022	4,969,673	8,197,190
Loan against trust receipt	QAR	5.75%	2022	18,112,055	-
Government support loan	QAR	4.50%	2024	7,100,900	7,100,900
Total				**30,182,628**	**15,298,090**

15. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS:

	December 31, 2021 QAR	December 31, 2020 QAR
Balance at the beginning of the year	2,435,820	1,039,335
Provision for the year	1,412,100	1,787,043
Payments made during the year	(321,440)	(390,558)
Balance at the end of the year	**3,526,480**	**2,435,820**

16. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES:

	December 31, 2021 QAR	December 31, 2020 QAR
Accounts payable	38,360,699	9,991,763
Accrued expenses	1,841,177	661,921
Advances received from customers	20,316,265	3,332,318
Retention payable	978,021	185,455
Provisions	4,927,122	4,927,122
Notes payable	9,249,059	2,506,847
Other credit balance	978,112	5,027
Total	**76,650,456**	**21,610,453**

17. REVENUE:

	Year ended December 31, 2021 QAR	Year ended December 31, 2020 QAR
Technology services	201,134,131	86,005,190
Technical services	64,413,924	46,018,310
Centralized Alarm Monitoring System services	16,739,119	13,272,131
Others services	1,977,642	1,039,350
Total	**284,264,816**	**146,334,982**

18. COST OF OPERATIONS:

	Year ended December 31, 2021 QAR	Year ended December 31, 2020 QAR
Cost of materials and subcontractors	140,879,016	52,498,523
Cost of Labour	69,299,862	39,581,892
Other direct expenses	14,788,228	4,205,596
Total	**224,967,106**	**96,286,011**

19. GENERAL AND ADMINISTRATIVE EXPENSES:

	Year ended December 31,	
	2021	2020
	QAR	QAR
Employees' expenses	18,115,188	16,814,360
Office and occupancy expenses	4,162,427	4,064,347
Business development expenses	1,044,855	740,080
Provision for slow moving and obsolete inventories	-	1,100,000
Other expenses	3,180,382	1,470,642
Total	**26,502,852**	**24,189,429**

20. FINANCE COST:

	Year ended December 31,	
	2021	2020
	QAR	QAR
Interest expenses	439,029	1,184,621
Total	**439,029**	**1,184,621**

21. BASIC EARNINGS PER SHARE:

	Year ended December 31,	
	2021	2020
	QAR	QAR
Profit for the year attributable to the Shareholders of the Group	28,555,792	23,578,016
Weighted average number of shares	50,000,000	50,000,000
Basic earnings per share	**0.571**	**0.472**

22. COMMITMENTS AND CONTINGENCIES:

There were no commitments and contingencies as of the report date except follows:

	December 31,	
	2021	2020
	QAR	QAR
Performance bond	95,934,430	54,292,427
Advance payment guarantee	27,094,382	5,840,274
Tender bond	28,371,698	17,096,749
Retention bond	44,771	-
Other guarantee	4,032,912	8,650,000
Total letter of guarantee	**155,478,193**	**85,879,450**
Letter of credit	3,764,014	4,460,826
Total contingencies	**159,242,207**	**90,340,276**

23. RELATED PARTIES TRANSACTIONS:

23 a) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel of the Company are the board of directors and/or personnel holding the designation of general manager and above. Transactions with key management personnel and transactions with close family members of the key management personnel; if any, also have been taken into consideration in the following disclosure:

	Year ended December 31,	
	2021	2020
	QAR	QAR
Short term benefits	1,798,788	1,653,007
Post employment benefits	51,835	51,835
Total	**1,850,623**	**1,704,842**

24. OPERATING SEGMENTS:

Information reported for the purpose of resource allocation and assessment of segment performance focuses on the types of services being provided. The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The following are the Group's reportable segments:

Technology
TechnicalServices
Centralized Alarm Monitotring System (CAMS)
Other Services

Management monitors the operating results of the operating segments to make decision about resource allocation and performance measurements segment performance is evaluated based on profit and loss and measured consistently with operating profit and loss in combined financial statements.

The following tables summarises the performance of the operating segments:

31-December-2020	Technology QAR	Technical Services QAR	CAMS QAR	Others QAR	Adjustments and eliminations QAR	Total QAR
Revenue	93,088,493	47,762,240	13,272,132	29,306,399	(37,094,281)	146,334,982
Gross Profit	26,923,212	12,518,323	10,695,799	28,267,049	(28,355,412)	50,048,971
EBITD	11,359,680	6,555,199	7,627,870	28,267,049	(27,764,032)	26,045,766
Net Profit	9,563,866	6,477,700	7,536,450	28,267,049	(28,267,049)	23,578,016
Finance Cost	(1,184,621)	-	-	-	-	(1,184,621)
Deperciation	(611,193)	(77,499)	(91,420)	-	(503,017)	(1,283,129)

24. OPERATING SEGMENTS (CONTINUED):

The following tables summarises the performance of the operating segments (Continued):

31-December-2020	Technology QAR	Technical Services QAR	CAMS QAR	Others QAR	Adjustments and eliminations QAR	Total QAR
Segment assets	42,283,613	16,820,937	4,524,357	47,061,473	(7,233,962)	103,456,418
Segment liabilities	29,026,638	7,402,385	1,999,757	11,315,963	(6,111,848)	43,632,895

31-December-2021	Technology QAR	Technical Services QAR	CAMS QAR	Others QAR	Adjustments and Eliminations QAR	Total QAR
Revenue	201,216,878	66,678,688	16,750,659	52,149,933	(52,531,342)	284,264,816
Gross Profit	30,008,658	15,404,375	13,531,928	50,172,291	(49,819,543)	59,297,709
EBITD	9,179,628	10,357,300	9,792,474	49,847,353	(48,809,070)	30,367,685
Net Profit	6,985,657	10,014,538	9,753,481	49,847,353	(48,045,237)	28,555,792
Finance Cost	(1,818,507)	(280,521)	-	-	1,660,000	(439,029)
Deperciation	(375,463)	(62,241)	(38,993)	-	(896,167)	(1,372,864)
Segment assets	143,297,426	20,964,870	4,244,556	91,384,570	(58,158,410)	201,733,013
Segment liabilities	96,604,250	8,599,635	2,903,176	5,783,083	(536,446)	113,353,699

25. FINANCIAL RISK MANAGEMENT:

The Group has exposure to the following risks arising from financial instruments:

25 a) Credit risk
25 b) Liquidity risk
25 c) Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set the appropriate risk limits and controls and to monitor risks and adherence 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 obligations.

25 a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Accounts and other receivables

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

The risk management policy has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review included external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits required the higher management approval.

25 b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal an stressed conditions, with out incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity based costing to cost its products and services, which assist it in monitoring cash flow requirements and optimizing its cash return on investments.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than accounts payables) over the next 90 days.

25 c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

25. FINANCIAL RISK MANAGEMENT (CONTINUED):

25 c) Market risk (Continued)

Currency risk
The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The functional currency of the Group is primarily the Qatari Riyals (QAR).

26. CAPITAL RISK 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 shareholders through the optimization of invested capital. The capital structure of the Group consists of equity, comprising share capital, reserve and retained earnings.

27. EVENTS AFTER THE REPORTING PERIOD:
There have been no material events occurring after the reporting date that require adjustments to or disclosure in the combined financial statements .

28. FAIR VALUES OF FINANCIAL INSTRUMENTS:
Financial instruments include financial assets and liabilities.

Financial assets consist of amounts due from related parties, bank balances and cash, account receivable and other debit balances.

Financial liabilities consist of due to related parties, loan and borrowings and account payable and other debit balances.

The fair values of financial instruments are not materially different from their carrying values except for the following:

	Year ended December 31,			
	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
	QAR	QAR	QAR	QAR
Accounts receivable	98,542,173	89,292,173	38,318,850	32,068,850
Post dated cheques receivable	135,183	135,183	5,875,449	4,175,449

29. COMPARATIVE FIRGURES:
Certain prior year amounts have been reclassified in order to conform to the current period presentation. Such reclassification did not affect previously reported net profit or total equity.

30. IMPACT OF COVID-19:
On March 11, 2021, Covid-19 was declared as global pandemic by the World Health Organization (WHO) and is causing disruptions to businesses and economic activities. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The Group will continue to closely monitor as the situation progresses and has activated its business continuity planning and other risk management practices to manage the potential business operations disruption and financial performance in 2021.

30. IMPACT OF COVID-19 (CONTINUED):

COVID-19 has brought about uncertainties in the global economic environment. In light of the rapidly escalating situation, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the combined financial statements. The Group's business operations remain largely unaffected by the current situation.

Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing a material adjustment to the combined financial statements:

Expected Credit Losses ("ECL") and impairment of financial assets

The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at December 31, 2021. The Group has updated the relevant forward-looking information of its international operations with respect to; the weightings of the relevant macroeconomic scenarios of the respective market in which it operates; significant increase in credit risk; and assessing the indicators of impairment for the exposures in potentially affected sectors.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2021. As a result, these combined financial statements have been appropriately prepared on a going concern basis.

The group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its 'operations and financial performance in 2022.