



MEKDAM
HOLDING GROUP Q.P.S.C

ANNUAL REPORT 2021



**His Highness
Sheikh Tamim Bin Hamad Al-Thani
Amir of the State of Qatar**



Who we are

The Group was initially established as a Qatari limited liability company, registered under the Commercial Registration No. 115142 dated March 29, 2018, in the name of Mekdam Holding Group (hereinafter referred to as “the Company” or “the Group”). On June 30, 2021, the final approval of the transformation into a Qatari public shareholding company was approved by the Ministry of Commerce and Industry pursuant to Ministerial Resolution (45) for the year 2021. On July 8, 2021, the Group was approved to list on the second market of the Qatar Stock Exchange, where the trading of its shares started on Aug 2, 2021.

The Group operates through its' subsidiaries that provides ICT's comprehensive and integrated services, including consulting and development, technical consulting, supply, implementation, project and program management, support, and maintenance. This includes, the Group's network and information systems, data center systems, service management systems and software solutions, along with supply, installation, operations, activation, and maintenance of alarm devices connected to the Control Room of the Ministry of Interior / Civil Defense.

In addition to their resources and capabilities to provide the services, the Subsidiaries have concluded partnership and supply agreements with several internationally well-known suppliers of ICT systems and solutions around the world. These agreements grant the Group nonexclusive distribution rights on the products and services developed by the Group partners and suppliers for the customers in Qatar.

PURPOSE

A catalyst for positive social and economic change in Qatar

VISION

To be the technology institution of preference for institutions seeking technology services in Qatar.
To be the technology institution of preference for foreign technology institutional clients that have dealings with Qatar.

MISSION

To add value to Qatar's community by offering a set of technology products and services that meet their needs efficiently and effectively, and are delivered by a competent, loyal and dedicated work force.

Our financial strength:

Revenue	Net profit	Assets	Earnings per share (EPS)	Liquid assets ratio	Net financial loans
QAR 284.3 million 94.3%	QAR 28.6 million 21.1%	QAR 201.7 million 95.0%	QAR 0.571 21.1%	QAR 77.4%	QAR 12.1 million

Our operational strength:

Contracts under execution	Submitted offers and under negotiation	Customer retention rate
QAR 1,170 million	QAR 2,900 million	90%

Contents

1.	Board of Directors.....	6
2.	Chairman of the Board of Directors' statement	8
3.	Chief Executive Officer's statement	10
4.	Institutional organization.....	12
5.	Information about the Group's companies.....	20
6.	Economic environment.....	34
7.	Corporate strategy	40
8.	Management Discussion and Analysis	47
9.	Environmental and Social Responsibilities	57
10.	Internal Audit	63
11.	Report of the Board of Directors on Internal Controls Over Financial Reporting(ICOFR)	68
12.	Reasonable Independent Assurance Report On Internal Control Over Financial Reporting	70
13.	Governance report 2021.....	75
14.	Financial statements	102

MEKDAM
HOLDING GROUP

Board of Directors



Sheikh Mohamed Nawaf NBK Al Thani
Chairman of the Board (Non-Executive Member)



Sheikh Jassem Nawaf NBK Al Thani
Vice Chairman (Non-Executive Member)
Member of Nomination and Remuneration Committee
Member of Investment Committee



Mr. Hassan Matar Al-Sowaidi
Independent Board Member
(Non-Executive Member)
Member of Nomination and
Remuneration Committee
Member of Audit and Risk Committee



Mr. Rajesh Menon
Independent Board Member
(Non-Executive Member)
Chairman of Audit and Risk
Committee



Mr. Jassim Sultan Al Rumaihi
Independent Board Member
(Non-Executive Member)
Chairman of Nomination and
Remuneration Committee
Member of Audit and Risk Committee



Mr. Narinder Singh
Independent Board Member
(Non-Executive Member)
Chairman of Investment Committee



Mr. Ehab Naser
Board Member (Executive Member)
Member of Investment Committee
Chief Executive Officer

Chairman of the Board of Directors' statement

Earnings per share: QAR 0.571

Return on equity: 32.3%

I am proud to have witnessed the Qatari economy's massive, unprecedented growth which makes it a fertile choice of investment for foreign direct investment (FDI) destinations worldwide. At Mekdam, we are even more proud to have continuously been direct contributors to the strategic projects of National vision 2030, thereby contributing to the overall nation's economic development. As one of the leading holding companies in Qatar, Mekdam Holding Group has successfully completed several prestigious projects that range from a variety of industries.



Mekdam Group achieved strong growth in 2021 despite the challenges in the work environment caused by the COVID-19 pandemic. Mekdam Holding Group's achieved a revenue of QAR 284.3 million for the period ended December 31, 2021, compared to QAR 146.3 million for the same period of the previous year with a growth rate of 94.3%. The easing of Coronavirus restrictions has accelerated the pace of business execution and recovery of the previous decline in project execution and profitability. Mekdam Holding Group achieved a net profit of QAR 28.6 million for the period ended on December 31, 2021, compared to QAR 23.6 million in the corresponding period of 2020 with a growth rate of 21.1%. This growth in net profit is mainly attributable to the growth in business volume. Earnings Per Share (EPS) amounted to QAR 0.571 for 2021 compared to EPS of QAR 0.472 for 2020.

As a result, the Board of Directors recommended to the General Assembly the distribution of 75% of the Group's capital, so that cash dividends are distributed to shareholders at the rate of 35% and bonus shares are distributed to shareholders at the rate of 40% of the Group's capital. We can confidently say, that we have been able to keep up with the aspirations of shareholders by achieving good returns on their investments.

We have supported the professional and economic development of different sectors within Qatar's economy, and this is largely due to our successful local and international partnerships. Our sharp focus on generating value for our numerous partners is a testament to our success, and growth.

Mekdam Holding Group owns several subsidiaries that enable it to pursue a diverse range of activities by building a network of successful companies. With an accelerated growth rate through a dynamic synergy of a diversified portfolio of industries, Mekdam Holding readily positions itself as the frontier of building long-term and successful relationships with our clients today and in the future. At Mekdam, we attribute our success to our incredible team that raises the standard every day through teamwork and collaboration as we set an example for how an effective workplace should function. This ambitious range of structural actions and decisions are transforming Mekdam Group to be more receptive to the technological changes in the market, parallelly focusing on creativity and innovation to have a competitive edge and market sustainability.

As we look ahead, we emphasize the importance of innovation in an ever-changing world, and the value of tenacity in times of challenge. Through innovation and consistency, we will be able to continue generating value for our partners, stakeholders, and the Qatari economy.

On this occasion, I'd like to express my sincere gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, Amir of the country; His Highness Sheikh Abdullah bin Hamad Al Thani, Deputy of His Highness the Amir; and His Excellency Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani, Prime Minister and Minister of Interior. Moreover, we are fortunate to witness the optimistic mindset and sheer determination of these charismatic leaders in facing the challenges of Qatar.

Additionally, we would like to thank His Excellency, the Minister of Commerce, and all employees of the Control Department for their diligent support, and efforts to bring more economic stability to the country and improve the private sector efficiently. We would like to give our warm regards to Qatar Financial Markets Authority, Qatar Stock Exchange, and Qatar Central Securities Depository as we sincerely appreciate and respect their efforts and decisions towards completing the procedures for listing the Group in the Venture market.

And now, I would like to conclude by appreciating the main leaders of our Group, the members of our board of directors, our clients, our partners, our shareholders, our employees, and our advisors for their relentless efforts, cooperation, dedication, and their continuous support, directly or indirectly, has brought prosperity and progress to the Group.

MEKDAM
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Chief Executive Officer's statement

Contracts being executed:
QAR 1,170 million

Submitted offers:
QAR 2,900 million

Customer retention rate: 90%

I would like to express my heartfelt gratitude to all of you who have continuously worked hard to bring exponential growth to the Group. We have been clear with the goals to add value to Qatar's prosperity by delivering excellence across all industries. Qatar's economy is massive and attractive for Foreign Direct Investment (FDI) and has sheer talents that have contributed to the country's success and our Group.



We are even more delighted to be the direct contributors to the strategic projects of National vision 2030, thereby contributing to the overall national economic development. I'm overwhelmed that our processes and services are proven evidence of our excellence and success towards that goal. We started the Group with the clear vision to be a world-class organization driven by a shared commitment to excellence through our focused approach and continuous enhancement of our shareholder value. Moreover, we have always maintained a balance by being both customer and employee-centric organization.

With an accelerated growth rate through a dynamic synergy of a diversified portfolio of industries, Mekdam readily positions itself as the frontier of building long-term and successful relationships with our clients today and in the future. Our ongoing sprees of achievements are still massive as we have undertaken various prestigious multimillion projects being one of the leading companies in this economy.

Today, we are proud with a track record of accomplishments that have placed us in the ranks of the leading companies in the Qatari economy. During the year 2021, Mekdam accomplished a range of non-financial achievements. To begin with, Mekdam Holding Group signed more than 160 contracts with major international companies in information technology that requires complex prerequisites and qualification conditions; Mekdam Holding Group was classified Grade (A) by the Government Procurement Regularity Department of the Ministry of Finance. In addition, Mekdam Holding Group was classified as Grade (A) by Kahramaa, Mekdam Holding Group was awarded the Great place to work (Great Place to Work®). Mekdam Holding Group was distinguished by obtaining from S&P Global Ratings a credit rating of (gcBBB-), and this rating placed the Group in the list of 25 best private companies in the Middle East and North Africa (MENA). This record of achievements has

been further strengthened by meeting the requirements of the Communications Department of the Ministry of Interior through the development of the patented early warning system, registered under the Group's name. This system has attracted more than 4,000 customer connections in the region. Furthermore, Mekdam Holding Group addressed the provision of new services such as the distance education system at the level of the State of Qatar, which was recently developed for the Ministry of Education and Higher Education. It also extended its business lines in cybersecurity, witnessing steady growth in the current era. In addition, we also started providing comprehensive maintenance services for gas recycling plants.

The local and international partnerships have brought a wave of new opportunities, and our shareholders are our pillars of success.

Determination is the key to success, and success has a definition of its own! We are systematically transitioning into internal and technological advancements.

Our people are referred to as “human capital” as they are our greatest asset and have been the source of our competitive advantage. We have witnessed that our team has shown great dedication, collaboration, and emotional intelligence which was needed the most in the Group. There has been an increase in the qualification of professional cadres that have been strengthened through continuous training due to the steady growth in the number of employees which exceeded over 910, in which most of them were highly trained professional cadres, who have obtained professional degrees in their respective fields. Hence, we attribute our success to our incredible team that raises the standard every day.

We have never compromised with our values and have aided our employees to the best of our abilities in this crucial global pandemic. Currently, we are also reforming our policies, procedures and our HRM with new innovative changes to enhance our service and organizational culture, making it one of the best companies to work for.

Our top most priority is to provide personal and professional development to employees. In addition, we are working on intrinsic and extrinsic motivational techniques to create a more effective and efficient work environment full of passion, empathy, hard work and commitment.

Change is inevitable! Hence future strategies are to prioritize our clients as we move towards building a more effective customer-centric business, embrace technology and continuous innovation that leads the race towards success, market leadership and global recognition.

We plan to innovate, motivate, and thrive in the corporate world by integrating more strategies to provide value and significance to all stakeholders. As we look ahead, we emphasize the importance of innovation in an ever-changing world and the value of tenacity in times of challenge.

We will always keep you in the loop with our new strategic developments and synergies. At the same time, we will continue generating value for our partners, stakeholders, and the Qatari economy through innovation and consistency.

Finally, I would like to thank the Chairman and the Board of Directors for their continued guidance and support.

4 - Institutional organization

Mekdam Holding Group was established in 2018, and it is headquartered in the State of Qatar. The Group was listed on August 2, 2021, It is the first Qatari public shareholding company to be listed on the Qatar Stock Exchange in the information technology sector. The group provides integrated solutions for information technology systems with outstanding quality and unmatched value.

The Group operates through its' Subsidiaries that provide ICT's comprehensive and integrated services, including consulting and development, technical consulting, supply, implementation, project and program management, support, and maintenance. This includes, the Group's network and information systems, data center systems, service management systems, and software solutions, along with supply, installation, operations, activation, and maintenance of alarm devices connected to the Control Room of the Ministry of Interior / Civil Defense.

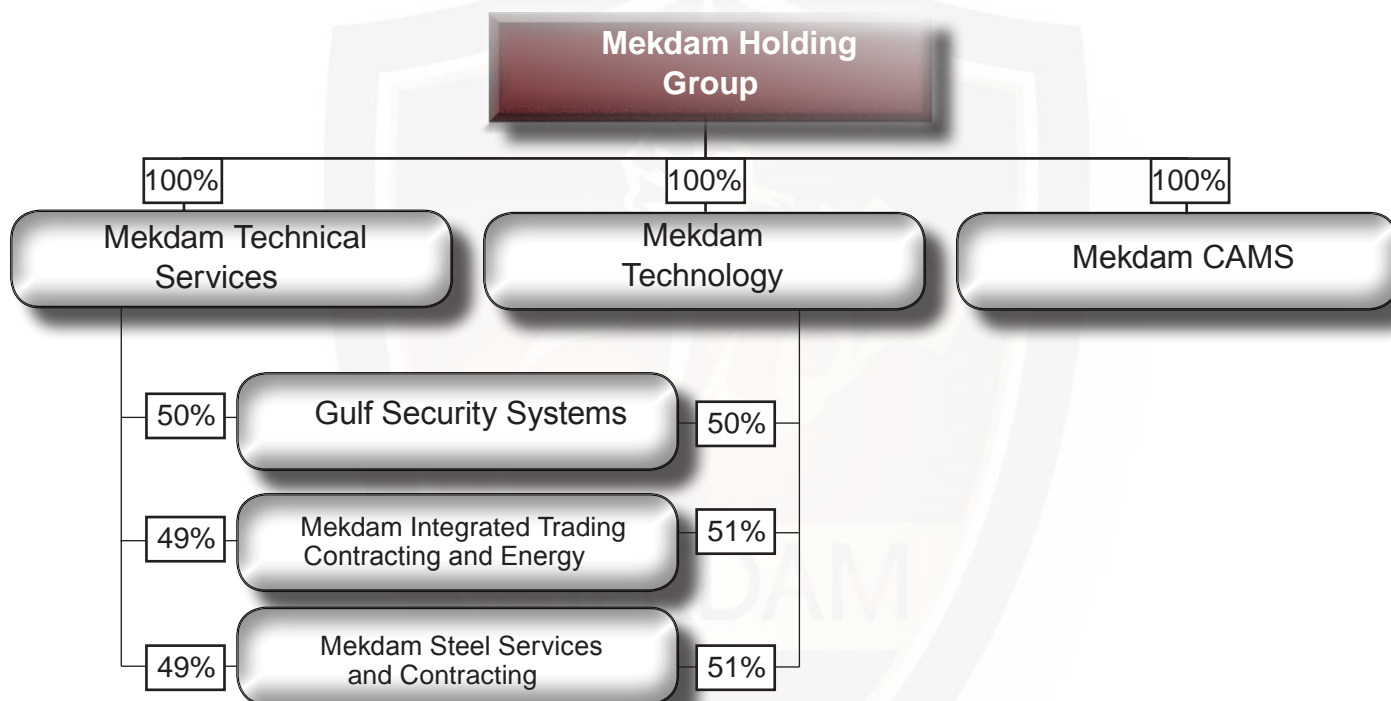




4.1 Corporate Structure

The Group operates through its Subsidiaries, it prepares its financial reports at the Subsidiary level. Later, all financial reports will be consolidated at the Group level.

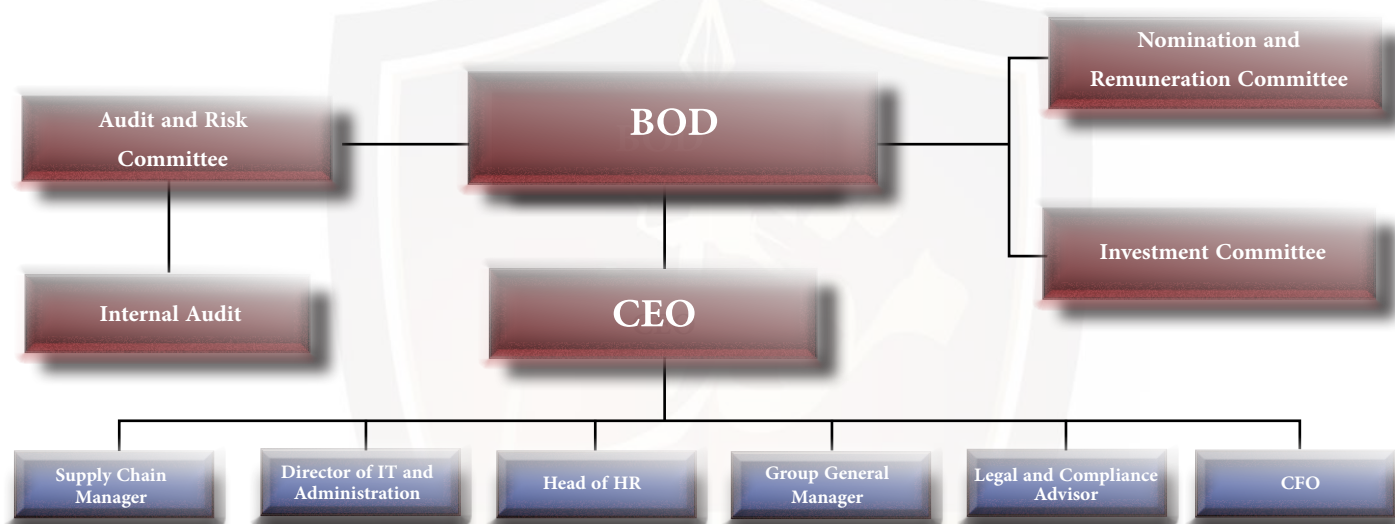
The following diagram shows an overview of the Group's corporate structure:



4.2 Organizational Structure

The Board of Directors will assume responsibility for overseeing the Group and will have the overall authority to manage and conduct the business and development strategy of the Group and the Subsidiaries. The senior management members of the Group manage the Group's daily affairs and business, while the general managers of the Subsidiaries work independently from each other.

The following diagram shows the organizational structure of the Group:



4.3 Senior Executive Management

The following table presents the names and positions of the Senior Management of the Group.

Name	Position
Mr. Ehab Naser	Board Member and CEO
Mr. Mohamad Baraa Sami Sami A Sabha	Group General Manager
Mr. Mohammed Mudassar Ali	Chief Financial Officer
Mr. Saber Ahmed Abdel Moneim	Legal Advisor (Secretary of the Board)
Mr. Marwan Hanna Turjuman	General Manager of Technology (Extra Low Voltage Division)
Mr. Ganesh Kumar Velusamy	General Manager of Technology (Engineering Division)
Mr. Shadab Nizam Mukadam	General Manager of Technical Services
Mr. Ahmed Abdullah Ahmed Al-Ibrahim	General Manager of CAMS
Mr. Venkatesh Seenivasagan	Tender Manager
Mr. Taher Abd El Moneim	PMO and QHSE
Mr. Alaa Younis	Head of Human Resources
Mr. Vatan Sakhuja	IT Director
Mr. Premith Paul Pereira	Supply Chain Manager

Source: Management Information

The following is an overview of the skills and experiences of our management team:

Mr. Ehab Naser

Mr. Ehab Naser has been the CEO of Mekdam Holding Group since its establishment. Mr. Naser alongside the Executive Management members, in constant cooperation with Sheikh Mohamed bin Nawaf, laid the foundation of the Group in accordance with the best international practices.

He started his career with the Arab Bank Group in Jordan, in 2000, as Vice President for Financial Affairs. By 2009, he held the position of Deputy Chief Executive Officer of Global Strategy and Governance in Switzerland. Currently, Mr. Ehab is responsible for the corporate strategic leadership of Mekdam Holding Group where he handles the strategic management and business growth of the Subsidiaries and budgeting for them.

Mr. Ehab holds a Bachelor's degree in Accounting from the University of Jordan in Jordan, and a Master of Business Administration (MBA) from Dominican University in the United States. He also holds the following professional qualifications from the United States of America:

Certified Public Accountant (CPA), Certified Financial Manager (CFM), and Certified Management Accountant (CMA). Mr. Ehab is a permanent member of the International forum of Honor Beta Gamma Sigma (ΒΓΣ), which recognizes the top graduates of business schools from the most prestigious international universities (AACSB International), based on his academic achievement in the study of business administration and professional skills.

Mr. Mohamad Baraa Sami Sami A Sabha

Mr. Mohamad has 13 years of focused experience developing performance systems for companies in the Middle East. He undertakes the implementation of the corporate strategy of the Mekdam Holding Group and is responsible for managing the operations and business growth of the subsidiary companies in particular according to their allocated budgets. His previous career includes managing business units and special projects in some of the largest technology companies in Qatar where he has managed and implemented a range of large and strategic projects in the country. He holds a degree in computer engineering from the University of Applied Sciences in Jordan

Mr. Mohammed Mudassir Ali

Mr. Mohamed Mudassir Ali has been working for Mekdam Holding Group since 2019 and has 21 years of experience (including 11 years in Qatar) in business development, project financing, commercial management, and financial control. He started his career at Siemens as a commercial officer in 1999, and has extensive experience through holding management positions in Pakistan and Qatar. He also obtained a Bachelor of Commerce from Punjab University, Pakistan and an ACMA certification from the Institute of Cost and Management Accountants of Pakistan.

Mr. Saber Ahmed Mohammed Abdel Moneim

Mr. Saber works as a legal advisory, and has over 18 years of experience in advocacy, legal advice, and commercial disputes. He is a member of the Egyptian Bar Association with a high appeal record and a member of the Arab Bar Association. Mr. Saber previously worked for renowned companies in Qatar, such as the National Water Production and Restoration (Qatar), and with The Landmark Contracting Group (Egypt). He holds a Law Degree from Ain Shams University in the Arab Republic of Egypt.

Mr. Marwan Hanna Turjuman

Mr. Marwan joined Mekdam Technology in January 2018. His career history includes multiple positions at Control Contracting and Trading Company as a Senior Projects Manager and he held the position of Communication Engineer (Contract Manager) at Unified Contracting. Mr. Marwan holds a Bachelor's degree of Electronics Engineering from Princess Sumaya University for Technology in Jordan, and in 2007 obtained a Master of Science in Communications/ Signal Processing Engineering from California State University, he holds professional qualifications PMP and IPMO-P in addition to being a member of the Jordanian Engineers Union.

Mr. Ganesh Kumar Velusamy

Mr. Ganesh joined Mekdam Technology in January 2018. He held various positions in Qatar and UAE in the field of tenders and bidding. He holds a Bachelor's degree in Electronics and Communications Engineering from Madurai Kamaraj University in India.

Mr. Shadab Nizam Mukadam

Mr. Shadab has 15 years of experience in the technical services sector, he has spent most of the years in Middle East working for major companies in Saudi Arabia and Oman. He also has extensive experience in India and Singapore. He holds a Bachelor's degree in Hardware Engineering from the University of Mumbai in India, and a Postgraduate Diploma in Operations Management from Welingkar Institute of Management Development and Research in India and achieved professional Certifications like PMP and PMI-RMP.

Mr. Ahmed Abdullah Ahmed AbdulKarim Al-Ibrahim

Mr. Ahmed Al Ibrahim joined Mekdam Holding Group in 2018, where he currently serves as General Manager of Mekdam CAMS and is responsible for working on various strategic engagements from contracts to customer management measures.

Mr. Venkatesh Seenivasagan

Mr. Venkatesh is currently the Tender Manager at Mekdam Holding Group and has 9 years of extensive experience in Business Development, Sales, Commercial Contracts and General Administration for Continuous Development. He started his career in India and moved to Qatar and held the position of Assistant Tender Manager in one of the largest companies in 2013. He holds a Bachelor's degree in Mechanical Engineering from Anna University in India.

Mr. Taher Abd El Moneim

Mr. Taher has over 30 years of Project Management experience in IT Solutions and capacity building in Education, Construction and Oil & Gas sectors. He holds a Bachelor's degree in Economics from Cairo University. Additionally, he holds a Professional Qualification in Project Management and Quality Management System (QMS).

Mr. Alaa Younis

As a Head of Human Resource, he manages and directs the strategic objectives of the Mekdam Holding Group's HR policy with a focus not only on managing everything related to human resources but also on developing the Mekdam Group to be a great place to work. He is an experienced HR professional with a demonstrated history of working in Human Resource under various business lines such as automotive, facility management, retail as well as the engineering and technology. He is proficient and skilled in people management, talent acquisition, learning and development, performance management, employee and Labor relations, HR policies and procedures. He has a strong acumen in human resource functions and holds a Bachelor's degree focused on Business Management and a certified member of CHRP/CHRM.

Mr. Vatan Sakhuja

Mr. Vatan is the Director of Information Technology and Management with over 15 years of experience in Engineering and Information Technology. He worked for leading companies in the field of Information Engineering. For nearly 8 years, he held the role of Technical Director for Advanced Electronics in India, in addition to various positions in Architectural Solutions in Qatar. Mr. Vatan holds many professional certifications, including Project Management Professional Certificate from the Project Management Institute in the United States of America and the Cisco Networking Expert Certificate. He holds a Bachelor's degree in Electronics and Communications Engineering from the University of Kurukshetra in India.

Mr. Premith Paul Pereira

Mr. Premith manages the Procurement Department with over 15 years of experience in Project Management, Sales and Procurement Management. He holds a Bachelor's degree in Electronics and Hardware Engineering and an MBA from Bharathiar and Anna University in India. He also holds a Grade A UPDA Certificate in Electrical Engineering in Qatar.

MEKDAM
HOLDING GROUP

5 - Information about the Group's Companies

The Group operates as a comprehensive service and solution provider of ICT, mechanical and electrical engineering, and operation and maintenance services. The Group provides a range of solutions and services through its Subsidiaries. Each subsidiary works in an important segment of the ICT, mechanical and electrical engineering, and operation and maintenance services. The Subsidiaries operate in a coherent and robust environment to provide comprehensive and integrated solutions with the highest standards of quality in the market. They are currently operating from the main headquarters of the Mekdam Holding Group. Currently, the Subsidiaries exclusively target public and private institutions, and do not perform any activity in the retail sector.

The scope of the Subsidiaries business has evolved over the past years due to its diversified services which reflects the rapidly changing nature of the ICT sector and proves the efficiency of the management team of the Subsidiaries and the effectiveness of the dynamic approach they follow. This approach enables the management team to successfully run the business of the Subsidiaries and keep pace with the market trends. At the date of this Information Memorandum, the Group's business portfolio focuses on the following business units:

5.1 Mekdam Holding Group (the parent company)

The Group operates as a holding Group. According to the Group's articles of association, the main activities of the Group are as follows:

1. Provide the necessary support to the Subsidiaries.
2. Have and exploit the patents, commercial business, concessions, and other intangible rights, and leases them to the Subsidiaries.
3. Own the movables and properties necessary to conduct activities within the limits authorized by the law.
4. Participate in the management of the Subsidiaries or the companies wherein it has shares.
5. Invest funds in stocks, bonds, and securities.

A. Strategy

The Group seeks to increase the value of the shareholding by leveraging the position of the Subsidiaries in providing leading services in the ICT sectors and enhancing their position among the customers by providing high quality and diverse services, which will increase the ownership value for the shareholders.

The Group seeks to improve the overall value and return to investors by:

- I. Monitoring the implementation plans and results of the Subsidiaries through conducting discussions and reviews between the Group's Board of Directors and management members.
- II. Monitoring the cash management processes of Subsidiaries and contributing to the optimal allocation and utilization of the cash.

B. Credit Rating

Credit rating agencies assign credit ratings to several companies based on various factors, most of which relate to the specifics of each company and general economic conditions. On March 7, 2021, the Group was rated (gcBBB-) by Standard and Poor's (S&P).

C- Employees

The Group mainly operates as a holding Group for the Subsidiaries. Thus, it will provide common corporate services such as human resources, accounting, and legal services. In addition, the Group employs experienced and qualified employees. As of December 2021, Mekdam Holding Group (parent company) has 53 employees, divided generally into executives, department managers and employees:

Description	Number
Executives	3
Managers	9
Employees	41

MEKDAM
HOLDING GROUP

5.2 Mekdam CAMS

Mekdam CAMS is best known for its work with Qatar's Ministry of Interior (MOI), where it collaborates with the Government to meet the country's safety and security needs through its patented services. Mekdam CAMS is licensed by the Ministry of Interior Telecommunication Department to provide an early warning system connection by linking businesses, residential buildings, public and private institutions with fire detection, theft, and intrusion detection systems with a direct link to the National Command Center (NCC). The National Command Center is linked to entities including the police, ambulance, civil defense, fire security and safety services.

CAMS is widely used across Qatar and other markets to manage emergencies that could cause life threatening or asset threatening situations. With Mekdam CAMS, remote access is possible for all resources through the NCC. This seamless connectivity has enabled Mekdam CAMS to build its customer profile to more than 4,000 CAMS users across key sectors and residences around Qatar.

A. Services

Mekdam CAMS provides the following services and solutions:

- Centralized Alarm Monitoring System (CAMS)
- 24x7 technical support
- Fire Alarm Monitoring System
- Central control design
- Intrusion and burglary alarm system
- Maintenance services
- Vehicle intrusion alarm system

B. Major projects

Mekdam CAMS participated in several prestigious projects. The following table shows a sample of the contracts awarded / novated to the company:

Customer	Project	Value	Progress (%)
Qatar Company for Airports Management and Operation	ASC and AMC of CAMS fire system	2,987,000	0%
Primary Health Care Corporation	Installation of Panic alarm system at 27 PHCC centers	1,471,680	0%
The Ministry of Education and Higher Education	Installation and migration of CAMS fire system at 233 schools	1,364,000	79%
Qatar National Bank	Maintenance - CAMS	440,000	25%
Primary Health Care Corporation	Installation of CAMS fire system at 30 PHCC centers	278,500	0%
Ahli Bank	AMC	254,400	25%

Customer	Project	Value	Progress (%)
Qatar Airways	ASC and AMC of CAMS fire system	195,000	56%
Qatar National Bank	Installation of intrusion system at 26 ATM's	163,020	0%
Doha Bank	Maintenance - CAMS	138,000	70%
Qatar International Islamic Bank	Maintenance - CAMS	135,156	22%

C. Patent

Mekdam CAMS registered its patent with the Ministry of Commerce and Industry (MOCI) in 2017. The CAMS system has been listed as the best way to notify the authorities of a fire or burglary. Within seconds of the incident, the system sends a signal with location data and the contact number of the person in charge of the building to the National Command Center, after which a specialized team is sent to control the situation.

D. Trademarks

Mekdam CAMS relies on trademarks specific to its business. The Company can use these trademarks; however, it does not mean that it owns any rights with regard to the trademarks. Mekdam CAMS has the right to use the Subsidiary's trademarks.

Trademark	About the brands
 BOSCH	The Bosch Group is a leading global supplier of technology and services. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Construction Technology.
Honeywell	Honeywell is a Fortune 100 company that invents and manufactures technologies to address tough challenges linked to global macrotrends such as safety, security, and energy. With approximately 110,000 employees worldwide, including more than 19,000 engineers and scientists, they have an unrelenting focus on quality, delivery, value, and technology in everything they make and do.

E. Employees

Mekdam CAMS employs experienced staff with high efficiency and technical skills. As of December 2021, the number of employees of the Mekdam CAMS was about 27, divided into managers and employees.

Description	Number
Managers	3
Employees	24

5.3 Mekdam Technology

Mekdam Technology is one of the most important technology companies in Qatar. It is a system integrator that provides a wide spectrum of ICT services, audio-visual, security and safety systems, Extra-Low Voltage systems, engineering systems, services and maintenance, and wireless phone services in various sectors.

Mekdam Technology is a party to some of the largest projects in Qatar due to its market-leading depth and breadth of experience. It also proud of its high customer retention rates, which is a testament to the best delivery standards implemented by its experts and professional teams. Mekdam Technology's clients depend on it for meeting the needs of their overseas expansion due to its wide range of strategic partnerships. Through its extensive experience and the right mix of technological solutions, Mekdam Technology has proven its ability to provide aftersales services and implementation skills.

A. Services

Information and Communication Technology

Mekdam Technology offers integrated ICT services and unique offerings to its customers based on market insights. It is an international service provider for connected IT solutions and managed services to businesses and Governments worldwide. It provides expert consultations on a wide variety of communication related areas, including collaboration, data centers, cloud solutions, information management and fully managed services.

Solutions

- Cyber Security
- Unified Communications and Collaboration
- Software-Defined Networking (SDN)
- Next Generation Networks (NGNs)
- Structured Cabling Solutions
- Low Voltage Cable Installation Services
- Fiber-Optic Networks
- Security Services
- Wireless and Mobility Solutions
- TETRA Network Solutions
- AVLS Solutions

Security and Safety Solutions

As part of the Company's endeavor to meet the clients' security and safety requirements, Mekdam Technology offers a wide range of solutions suited for businesses, Government, and residences. Its range of MOI-SSD-Compliant products, services, and solutions, meet the security needs across all institutional and residential applications. Its CCTV, Access Control, Intrusion Detection, Fire Alarms, and Emergency Lighting include strategy, planning, implementation, and maintenance services. This has helped Mekdam Technology achieve its top-tier status in the region.

Solutions

- CCTV
- Intrusion Detection
- Ticketing System, Queue Management
- Toilet Alarm System for people with special needs
- Vertical Barriers / Gate Barriers / Turnstiles / Road Blockers
- Emergency Lighting Systems
- Lighting and Dimming Control for Buildings and Street lights
- Voice Integrated Fire Alarm and Evacuation System
- Vehicle Scanning, X-Ray Scanners
- Intercom System, Master Clock
- Building Management System (BMS)
- Guest Room Management System (GRMS)
- Physical Security Information Management (PSIM)
- Physical Security
- Integrated Fire Alarm and Evacuation System
- Access Control, Time and Attendance System
- Lighting Control System (LCS)
- Video Analytics, Automatic Number Plate Recognition (ANPR)
- Intrusion Detection, Intercom System
- Corporate Security Systems (CBS)
- Nursing staff Call System

Engineering

Mekdam Technology has a solid foundation as a design, procurement, and construction contractor in key industries such as Oil and Gas, Power, Water and Infrastructure. Its turn-key engineering solutions attract fast-growing organizations that need reliable and efficient solutions in engineering.

Solutions

- Engineering projects, Procurement, Installation, and operation in various disciplines (electrical, instrumentation, piping, mechanical work, HVAC, and construction work)
- Detailed engineering design
- Turnkey projects
- Operations and maintenance services (electrical system, F&G, SCADA, field instruments)
- Testing and commissioning of LV, MV and HV equipment and systems
- Energy meter calibration services
- Control and process automation
- Wireless and mobility services
- SCADA integration

Audio Visual Solutions

Mekdam Technology is proud to be the first company in the Middle East to receive the APEx (Audio visual Provider of Excellence) certification, offering a full range of AV solutions that suit all applications. This includes Crisis Management and Control Rooms, Galleries, Theaters, Broadcasting Studios, Stadiums, Museums, Board Rooms, Lecture Halls, Laboratories and more. Its customers span the following sectors: Corporate, Education, Science, Culture, Trade, Hospitality, Sports, Government and Military Institutions. Due to Mekdam Technology's expertise, institutions across the region are better equipped for crisis management, education, and entertainment for the region's rapidly growing populations.

Solutions

- AV Switching, Control and Automation Systems
- Audio and Video Conferencing Collaboration and Telepresence Systems
- Projector Systems, Pixel Mapping, 3D Holographic, Virtual Reality
- Background Music System (BGM) • Digital Signage, Road Finder and Interactive Kiosks
- SMATV, IPTV and HITV Systems
- Public Address System, PAS/PAVA/PAGA
- Photoelectric Simulation

Operations and Maintenance

As the leading maintenance and technical services provider, MTS commands vast expertise in Operation and Maintenance (O&M) Services. The Company is committed to deliver the best quality standards, value for money and peace of mind for its clients so they can achieve their optimal operational performance. The Company provides maintenance services in the following systems:

• Technology systems

- CCTV surveillance systems as per the MOI-SSD regulations and standards
- Access control, Gate and Identity Verification Systems
- Fire alarm (as per the NFPA and MOI QCDD standards)
- Public address and voice clearance
- Building management
- Audio Visual Solutions
- Active network
- 24×7 helpline

• Engineering systems

- SCADA systems
- Fire and Gas (F and G) systems
- Field Instruments Systems (Pressure Instruments, Flow Instruments, Level Instruments, Temperature Instruments, Detectors and Analyzers, Valves, etc.)
- Other Electrical Appliances and Systems

B. Major Projects



Mekdam Technology participated in several prestigious projects. The following table shows a sample of the contracts awarded / novated to the company:

Customer	Project	Value	Progress (%)
Qatar Energy	EPIC for PAGA, CCTV and Talkback in various On-Shore Gas Operations Plants and NFA Off-Shore Platform	76,756,934	96%
National Industrial Contracting	Supply & Installation of MEP Works	75,000,000	1%
Qatar Energy	Turnaround Maintenance Services for Gas Recycling Plant Dukhan Field - 2022	63,000,000	4%
Qatar Energy	EPIC Turbine Control System PS2 & PS3	54,590,152	79%
The Economic Zones Company (Manateq)	Construction of CCTV System & Control Building in Al Wakra and Jery Al Sanyr Logistics Park	52,001,848	32%
Hamad Medical Corporation HMC	Supply, Installation & Commissioning of CCTV System - HMC	48,714,294	96%
Qatar Energy	Replacement of 33KV Power Cables & Protection Relays at NGL-3, Mesaieed	34,999,999	0%
Q-Bairaq	4 Season proposed Hotel apartment building	32,237,136	10%
Ministry of Education & Higher Education	Learning Management System	31,999,750	4%
Consolidated Contractors Group S.A.L. (offshore) (CCC)	HIAEP-0042 - DIA Refurbishment Supply, Installation, Testing and Commissioning of Proposed Systems (CCTV, ACS, Active, Structured Cabling. UPS & Public Address System)	31,143,577	74%
GEACO Trading and Contracting Co. L.L.C	MEP Subcontract Work - PK09 (MU14, MU15, MU16, MU17, MU17, MU18 & MU19) Yasmeen City, Lusail	29,940,000	3%
Qatar Company for Airports Operation and Management W.L.L.	WI-FI infrastructure upgrade at passenger terminal complex	27,363,572	56%
Medgulf Construction Company	Construction of Oil and Gas Data Center Building in QPSFA, Dukhan	25,281,926	78%
Mirage Tech Security Services	Supply of Installation of AVS & SCS-Falcon 5/F-15QA Beddown Project	20,416,000	37%

Customer	Project	Value	Progress (%)
Qatar Gas Operating Company W.L.L	Fire & Gas System Maintenance Services For QG North	19,738,570	32%
Conspel Qatar W.L.L.	Katara Twin Tower Hotel Project Package-3 – Lusail	15,692,275	21%
Qatar Amiri Guard	Supply, Installation of CCTV cameras , licenses and network devices	14,478,013	48%
Qatar General Electricity & Water Co.	NCC RTU Updgarde in KM Primary Substations	16,453,554	79%
Urbacon Trading & Contracting	Design And Build of UGS ELV and Security System in Basement Floor, Car Park, Tunnels, Connection to Daily Majlis and Mezzanine Floor	13,469,488	51%
Urbacon Trading & Contracting Co. (UCC)	Design & Build of BGM, IPTV & AV System Networks-Packages 1, 2 & 5	11,599,148	69%
ARCON	Supply, Installtion, Testing and Commissioning of CCTV System as per MOI SSD Regulations, Telephone/Data, Access Control, Mater Clock for Cuban Hospital at Dukhan	11,230,353	95%
Qatar Energy	EPIC for Installation of Flare Gas Flow Meters in Dukhan Fields	9,914,164	4%

C. Trademarks Mekdam

Mekdam Technology relies on trademarks specific to its business. The Company can use these trademarks; however, it does not mean that it owns any rights with regards to the trademarks. The Company has the right to use its Subsidiary's trademarks.

Trademark	About the brands
	APEX (Audiovisual Provider of Excellence) certification is recognized as a leading industry designation, by customers and by AV service providers. It is administered by the Audiovisual and Integrated Experience Association (AVIXA), a leading industry organization that updates it frequently.
	The Audiovisual and Integrated Experience Association, organizer of InfoComm trade shows around the world, co-owner of Integrated Systems Europe, and the international trade association representing the audiovisual industry. Established in 1939, AVIXA has more than 11,400 enterprise and individual members from more than 80 countries.

Trademark	About the brands
	<p>A global audiovisual, content management and image processing technologies company. From inspired ideas to innovative solutions, the company creates a complete range of high-quality AV and far-UVC technology solutions for business, education, entertainment, and industry. From massive global events to the smallest applications, the technology—including advanced RGB pure laser illumination, SDVoE technology solutions, cutting-edge image processing and media servers, and LED display solutions—empowers people to create the world's best shared experiences.</p>
	<p>The world's leading innovator and manufacturer of advanced control and automation systems for offices, campus facilities, and homes, reinventing the way people live and work. It provides integrated solutions to monitor, manage, and control audio, video, and lighting, shades, and climate, Crestron streamlines technology to improve the quality of life for people in corporate boardrooms, conference rooms, classrooms, hotel rooms, auditoriums, and in their homes.</p>
	<p>The company is a manufacturer of innovative sound systems and digital audio solutions. The business unit manufacturer develops, manufactures, and distributes high quality audio solutions that combine technology and design. As consultants, they analyze rooms and building acoustics and together with the business partners the company develops corresponding electro-acoustic solutions.</p>
	<p>Pro Display manufactures an innovative range of AV and Digital Signage solutions designed for advertising, news, and entertainment purposes.</p>
	<p>Exida, founded in 2000, is recognized by many experts in the fields of reliability and safety around the world. The company is engaged in product certification and knowledge, specializing in automation systems safety, alarm management, cybersecurity, and availability.</p>
	<p>Today, Cisco solutions represent the networking foundations for service providers, small to medium business and enterprise customers which includes corporations, government agencies, facilities, and educational institutions. Cisco's networking solutions connect people, computing devices and computer networks, allowing people to access or transfer information without regard to differences in time, place, or type of computer system.</p>
	<p>Aruba, a Hewlett Packard Enterprise company, is a leading provider of next-generation network access solutions for the mobile enterprise. The company designs and delivers Mobility-Defined Networks that support IT departments and GenMobile digital platform.</p>
	<p>Leviton is a global leader in electrical wiring devices, lighting energy management solutions, networking solutions, security, home automation and commercial data infrastructure products. Leviton offers a product line that includes more than 25,000 devices for virtually every conceivable residential, commercial, and industrial wiring device need.</p>

Trademark	About the brands
	<p>Palo Alto Networks, the global cyber security leader, is shaping the cloud-centric future with technology that is transforming the way people and organizations operate. The company helps address the world's greatest security challenges with continuous innovation that seizes the latest breakthroughs in artificial intelligence, analytics, automation, and coordination.</p>
	<p>Sophos Group is a British security software and security devices company. Sophos develops products for communication endpoint, encryption, network security, email security, mobile security, and unified threat management. Sophos is primarily focused on providing security software to organizations ranging from 100- to 5,000-sites. While not a primary focus, Sophos also protects home users, through free and paid antivirus solutions (Sophos Home/Home Premium) intended to demonstrate product functionality.</p>
	<p>F5, Inc. is an American company that specializes in application services and application delivery networking (ADN). F5 supports applications from the development stage and throughout their entire life cycle, across any multi-cloud environment, so the customers; enterprise businesses, service providers, governments, and consumer brands—can deliver premium, high-performing, and secure digital experiences.</p>
	<p>Founded in 1987, Huawei is a leading global provider of information and communications technology (ICT) infrastructure and smart devices. With integrated solutions across four key domains: telecom networks, IT, smart devices, and cloud services. The company is committed to providing digital services to every person, home, and organization for a fully connected, intelligent world.</p>
	<p>From corporate meeting spaces to digital signage and wayfinding in business, hospitality and retail settings, Datapath's video wall controllers offer great flexibility and reliability. Whether you need integration with facial recognition technology, use with LED, requirements for small spaces or low noise controllers, or simply to manage large volumes of data in real-time, we have products to meet your video wall needs.</p>
	<p>The Evolv weapons detection system for public premises like hotels, stadiums and government enterprises. Evolv combines powerful sensor technology with proven artificial intelligence (AI), security ecosystem integrations, and comprehensive venue analytics to ensure safer, more accurate threat detection at an unprecedented speed and volume.</p>
	<p>CommScope push the boundaries of communications technology to create the world's most advanced networks. design, manufacture, install and support the hardware infrastructure and software intelligence that enable our digital society to interact and thrive. Working with customers, we advance broadband, enterprise and wireless networks to power progress and create lasting connections. Across the globe, people and solutions are redefining connectivity, solving today's challenges and driving the innovation that will meet the needs of what's next.</p>
	<p>At Juniper, we strive to deliver network experiences that transform how people connect, work and live. By challenging the inherent complexity in the 5G and cloud era, our solutions power the connections that matter most - from education to healthcare to secure banking. Our commitment is to advance real outcomes for network teams and every individual they serve</p>

Trademark	About the brands
	<p>PhishRod is a leading anti-phishing solutions provider with an objective to develop technologies that enable people in organizations to combat cyber-attacks. With their headquarter in US and regional office in the Middle East, PhishRod has a strong network across the Middle East, Africa, Europe & Australia.</p> <p>PhishRod was established to address the threats vector related to phishing. Their aim is to develop workable solutions that empower people in the organization to be the first line of defense and play an active role in threat identification.</p> <p>Our solutions facilitate the security professionals in the organizations to identify the weakest link in the organization and automate the cyber security awareness framework</p>
	<p>OneTrust is the #1 fastest-growing company on Inc. 500 and the category-defining enterprise platform to operationalize trust. With more than 12,000 customers, including 75% of the Fortune 100, OneTrust makes trust a competitive differentiator, implementing central agile workflows across privacy, security, data governance, GRC, third-party risk, ethics, compliance, and ESG programs.</p>
	<p>Siemens is a global powerhouse focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis. In infrastructure and industry solutions the company plays a pioneering role.</p>
	<p>iS5 Communications is an integrated global provider of advanced solutions for cybersecure digital energy cloud platforms. Platforms in which our customers demand high reliability, performance, modularity, scalability, and security..</p>
	<p>Bandweaver is a global supplier of distributed optical sensing solutions across the oil and gas industry, energy generation and transmission sectors, plus the construction and telecommunications sectors. Bandweaver designs and manufactures distributed optic sensors, giving asset owners a comprehensive asset monitoring solution by combining distributed temperature(DTS), strain, pressure and OTDR monitoring systems.</p>
	<p>ZIVAutomation UK specialises in automating transmission & distribution networks providing automation hardware, software & support. Offers RTU, SCADA & DERMS solutions to customers across the world.</p>
	<p>FLIR Systems, Inc. designs, develops, manufactures, markets, and distributes technologies that enhance perception and awareness. FLIR brings innovative sensing solutions into daily life through the thermal imaging systems, visible-light imaging systems, locator systems, measurement and diagnostic systems, and advanced threat detection systems.</p>

D. Employees

Mekdam Technology employs highly qualified, experienced, and technical staff. The number of employees as of December 2021, was about 524, divided into managers and employees.

Description	Number
Managers	25
Employees	499

5.4 Mekdam Technical Services (MTS)

MTS has earned its distinguished reputation by providing a wide range of the best technological and engineering services and consistently meeting the ongoing needs of its many clients. MTS was established to provide manpower outsourcing, operations, and maintenance services to clients around the country.

Given the core experiences, Mekdam Group offered in the field of services throughout 18 different sectors including, oil and gas, IT and others, Mekdam Technical Services Company played a critical role in the enhancement of the strong reputation the Group built for itself in the market.

A. Services

MTS provides consultancy and human resource management services that meet even the most demanding clients' requirements. MTS's customers put their trust in the company because it has a terrific reputation in the market for hiring truly professional and competent people and ensuring that they are empowered with sufficient experience to perfectly perform their tasks. The competitive advantage of MTS is that its clients are able to focus more on other business issues while they leave the HR recruitment function to the company. This includes temporary, mid-level executives, all the way through to executive level recruitments.

Ongoing training and assessments for the employees are constantly executed. They are also monitored to ensure that seconded staff at MTS's clients are receiving the best fits for the job at hand. This leads to improving the employee skills and experience, generating business opportunities frequently, and providing a broad base of workforce ready to meet the customer requirements.

MTS provides contractual and temporary staffing services both locally and globally, across two verticals

- General staffing: Managerial and technical.
- Professional staffing: In the fields of ICT, Engineering, infrastructure, financial and legal affairs, procurement and contracts, medicine, and science.

B. Major Projects

MTS participated in several prestigious projects. The following table shows a sample of the contracts awarded / novated to the company:

Customer	Project	Value	Progress (%)
Qatar Airways	Providing ground manpower to Qatar Airways Group	542,435,832	0%
Qatar Airways	Providing ground manpower to Qatar Aviation Services	129,161,460	0%
Ashghal	On-Call Staff Secondment Contract- Roads Operation and Maintenance Department	83,990,268	16%
Qatar Primary Material Co. - QPMC	Call Off Agreement For Wheel Loader Operators & Heavy Truck Drivers	31,500,000	0%
Ministry of Public Health (MOPH)	Outsourcing of IT Professional for MOPH	21,004,266	44%
Qatar Gas	Specialised IT Resource	17,108,135	82%
Ashghal	Call off Agreement - It Professional Support Service 2019	16,578,000	64%
Qatar Energy	Maintenance and support services on call-off basis for CCTV,ACS, PIDS.ANPR, intercom & UPS systems at multiple Qatar Energy onshore and offshore locations	11,259,909	19%

C. Employees

MTS employs experienced staff having high efficiency and technical skills. As of December 2021, the number of employees of MTS was about 279, divided into managers and employees.

Description	Number
Managers	3
Employees	276

6 - Economic Environment:

Vision 2030 aims to transform Qatar into an advanced society capable of achieving sustainable development. This vision rests on four pillars: Economic, social, human, and environmental development. The main purpose of economic development is to create a balance between the oil-based economy and the knowledge-based economy, which helps diversify the country's economy and ensure a stable and sustainable business environment.

The table below highlights some of the main economic indicators of the Qatari economy over the past few years.

Selected economic indicators	Unit	2016	2017	2018	2019	2020	2021 (Estimated)
GDP (Constant Prices)	QAR Billion	669.2	659.2	667.3	672.5	648.4	661.0
GDP (Constant Prices %)	%	3.1	(1.5)	1.2	0.8	(3.6)	1.9
GDP, current prices	QAR Billion	552.3	586.4	667.3	640.0	529.4	615.8
Inflation	%	2.7	0.5	0.3	(0.7)	(2.7)	2.5
Population	Million	2.6	2.7	2.8	2.8	2.7	2.7
General Government revenue	QAR Billion	195.1	188.7	232.4	240.0	189.4	211.5
General Government expenditure	QAR Billion	221.7	203.3	192.8	208.4	182.4	194.4
General Government gross debt	QAR Billion	258.0	302.4	348.2	398.6	381.7	363.4
General Government gross debt %	%	46.7	51.6	52.2	62.3	72.1	59.0
Current Account Balance	QAR Billion	(30.1)	23.4	60.6	15.4	(12.7)	50.5
Current Account Balance %	%	(5.5)	4.0	9.1	2.4	(2.4)	8.2

Source: World Economic Outlook 10/2021 - International Monetary Fund

The first phase of the expansion project is expected to begin in the North Field (the largest gas field in the world), which will raise gas production of liquefied natural gas from about 77 million tons per year to 110 million tons per year in 2025, and the first phase of the entire project will be completed by the end of 2026. Under the second phase, the capacity will rise to 126 million tons per year by the end of 2027.

The fallout from the COVID-19 pandemic is expected to continue to shape policies in the medium term, with a greater focus on education, skills, health, and technological policy. Pro-market policies are expected to improve the business environment and enhance foreign investment. Whereas, the foreign investment law in Qatar allows foreigners to own 100% of the capital of companies in all economic sectors.

It is also expected to continue to support self-sufficiency programs in Qatar, which have nearly doubled agricultural production since 2017, and represents good progress in achieving the objectives set out in the National Food Security Strategy for the State of Qatar. The local production in 2021 was more than 105% of Qatar's needs of dairy products and 41% of its needs of vegetables, which helped reduce inflation. Qatar aims to meet 70% of its vegetable needs by the end of 2022. The government understands the importance of ensuring security, food, and water supply, which is threatened by rising demand and fluctuations in global food production due to climate change and increased geopolitical risks which could threaten the supply chain. Therefore, food security will remain a policy that is on priority.

6.1 Fiscal Policy

Qatar is expected to continue to rely heavily on hydrocarbon income for fiscal revenue, which will largely follow oil market movements. The rise in global oil and gas prices will continue to provide strong near-term support to the financial position of the State of Qatar. Average international oil prices are expected to rise by limited rates in 2022, after the 66% jump in 2021. Timing of the value-added tax (VAT) will depend on the path and impact of the novel coronavirus variables. This, along with faster economic growth, will have a positive impact on government revenue, and the fiscal surplus in 2022 will expand to 5.7% of GDP, from an estimated 2.8% of GDP in 2021. In the years from 2023 to 2025, assuming control is achieved despite the pandemic, and despite the decline in global oil and gas prices in 2026, the fiscal surplus is expected to expand to 8.7% of GDP with the start-up of the first phase of the Northeast Field Expansion project, thus offsetting the impact of prices drop.

6.2 Monetary Policy

Given the Qatari riyals pegged to the US dollar, it is expected that the Qatar Central Bank will continue to track interest rate changes issued by the Federal Reserve. The Federal Reserve recently indicated that it may need to implement three rate hikes in the year 2022. Qatari authorities are likely to follow suit, and the currency peg is also expected to be maintained throughout the forecast period.

6.3 COVID-19 pandemic

The post-pandemic recovery is expected to continue in 2022, with global GDP expanding by 4%, after a recovery of 4% which was estimated at 5.5% in 2021. The emergence of a new variant of the coronavirus, omicron, in late 2021, will not be a year in changing the rules of the game for the global economic recovery. Omicron is more transmissible but apparently less severe than Delta. However, a large number of conditions can overwhelm health care systems. So far, high vaccination rates have prevented this from a sharp rise in severe cases and deaths in advanced economies. If this scenario is confirmed, we expect the measures to be lifted which were established to limit the spread of Omicron in more developed economies in early 2022.

The introduction of coronavirus vaccines will continue to set the economic outlook for 2022 and beyond as coexistence with the virus as it becomes the new normal. Most advanced economies achieved extensive vaccination coverage in 2021, with a focus on the Booster doses in 2022. Meanwhile, financial and logistical constraints mean that global immunization schedules will be stretched beyond 2023 in most developing countries.

Global inflation will remain high in 2022-2023, exceeding 5%. The continuous sharp rise in inflation rates represents another risk to recovery. This risk has been exacerbated by the recent rise in global energy prices, which will remain high at least throughout the Northern Hemisphere winter (2021/2022). You would expect major central banks to start tightening monetary policy in 2022 to curb inflation, but it will progress slowly due to the fear of hampering the economic recovery. The Government responses have resulted in the financial crisis of the COVID-19 pandemic has led to sharp increases in public debt in advanced and developing economies where debt service is still modest in developed economies, indicating that the expectations of the continuation of this debt, as long as the rise in interest rates is small.

The vaccination program in Qatar began in December 2020, initially targeting those over 65 years of age, adults infected with chronic diseases and frontline health care workers. Vaccines are available to citizens and residents, who make up more than 85% of the population and most private-sector employees. It has boosted Qatar's relative economic wealth and the advanced health infrastructure and vaccination program, and the country will benefit from its success in this field to raise its international standing. By the end of January 2022, Qatar had given 5.78 million doses of vaccine – enough to fully vaccinate about 95% of the population (Given the need for two doses) and more than 784,000 booster doses (30% of the population).

By the end of January 2022, more than 337,500 cases of COVID-19 have been confirmed in Qatar since the outbreak began. The number of deaths is low, with 645 people, which confirms the relative success of the government in dealing with the outbreak of the disease, with the support of effective and responsive public healthcare. Daily infection rates increased dramatically in the weeks following the first case for a high transmission omicron variant reported by the Ministry of Health in mid-December 2021 and increased from a low double-digit to 4206 on January 12 within an average of seven rolling days (from over 4,000) well above the previous peak in May 2020 (from 1885). Qatar is expected to continue its efforts to maintain local economic activity as close to normal as possible, with strict control and robust testing systems.

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6.4 Economic Growth

The table below highlights some of the main economic indicators of the Qatari economy over the few years

Selected economic indicators	Unit	2021	2022	2023	2024	2025	2026
GDP (Constant Prices)	QAR Billion	661.0	687.2	705.3	732.8	762.8	794.9
GDP (Constant Prices %)	%	1.9	4.0	2.6	3.9	4.1	4.2
GDP, current prices	QAR Billion	615.8	658.4	678.8	709.8	741.6	778.3
Inflation	%	2.5	3.2	2.4	2.5	2.5	2.5
Population	Million	2.7	2.8	2.8	2.9	3.0	3.0
General Government revenue	QAR Billion	211.5	239.9	249.1	254.0	263.9	278.6
General Government expenditure	QAR Billion	194.4	202.5	191.8	192.4	193.1	194.0
General Government gross debt	QAR Billion	363.4	349.5	317.1	313.1	309.1	305.1
General Government gross debt %	%	59.0	53.1	46.7	44.1	41.7	39.2
Current Account Balance	QAR Billion	50.5	76.1	49.4	54.8	56.2	67.0
Current Account Balance %	%	8.2	11.6	7.3	7.7	7.6	8.6

Source: World Economic Outlook 10/2021 - International Monetary Fund

We expect global demand for natural gas to exceed supply in 2022 due to the lack of investment in the supply chain and due to a shortage of Inventory. Therefore, global gas prices are expected to remain high in 2022. We expect that in the light of the recovery in energy prices internationally, Qatar's real GDP growth will accelerate to 4.0% in 2022 (from 1.9% in 2021). The economy will benefit from hosting the 2022 World Cup, which will lead to increase in tourism and non-oil economic activity. Tourism and other services, sub-sectors are doing well, assuming COVID-19 is contained. In addition, the confidence rise in the Investors after the reconciliation between Qatar and the Arab Quartet will provide meaningful support for economic activity in the second half of the forecast period. However, growth will decline to an average of 3.5% per year in the years 2023 to 2025 in line with the decline of the international oil and gas prices. The economy will benefit from the start-up of the first phase of the Northeast Field Expansion Project in 2026, so real GDP growth will rise to 4.2% in the same year.

In general, economic indicators reveal a very healthy picture, notwithstanding the heavy exposure to oil prices and production cycles that generates volatility in exports and economic dependence on international oil markets. In fact, it is expected to lead to a rise in estimated average oil prices for 2022 that will boost growth in Qatar's wealth. In addition, the Qatar Investment Authority was conservative in its investments, as they moved away from risky asset classes and with limited exposure to the global financial system. This has resulted in the preservation of the value of money. The net foreign assets of the Qatar Central Bank and the Qatar Investment Authority will continue to increase. It is expected that further increases will occur in the medium term.

Recent estimates of Qatar's oil and gas reserves point to stable levels in the future. Moreover, the improved techniques of survey and extraction is bound to reveal additional reserves that were previously either unknown or uneconomical to extract it.

6.5 Mekdam' s Vision for the future of the Qatari economy

Qatar's Vision 2030 emerged from a consensus of building on strengths rather than on weaknesses. Qatar aims to prepare the economy for sustainable growth and financial stability in a volatile oil-dependent economy. The existence of a support mechanism to deal with changes is not expected as the demand is vital, to protect the rights of future generations.

Therefore, the Government encourages private institutions and companies that do not depend on oil. Therefore, the development of human resources and the competitive environment is now essential to create wealth and sustain recent rapid improvements in infrastructure and health.

A healthy, open, and vibrant banking system is an absolute prerequisite for the entrepreneurial community that Qatar wishes to develop. So, the Qatari authorities are taking measures to upgrade and modernize the economy. Many laws have been issued to identify standards and practices of the international market and submission.

Moreover, the demand for oil will increase somewhat in the medium term, with moderate price inflation and increased production quotas. This would return Qatar's current account balance to the type of surplus it used to be. This will allow Qatar to invest heavily in modernizing the country.

Some countries have set targets for renewable energy quotas. This is not necessarily bad news for oil-producing countries like Qatar: while the world's appetite for oil will not diminish any time soon. There is now a new industry that fits the endemic characteristics of Qatar. Also, with its responsible approach to spreading the sovereign wealth, Qatar has a huge wealth of reserves that can be deployed to develop Qatar into a supplier for clean energy services at a time when most other competing economies cannot follow suit.

Moreover, the opportunities lie not only in meeting the energy needs of the world's modern economies but also in modernizing its infrastructure, as there is an opportunity for Qatar to act as a catalyst for economic change in neighboring countries. Through direct investment in these economies, Qatar may be a chain of technology, education, services, structures, and governance required.

In the long run, in a world of ever-increasing needs and limited resources, Qatar's dependence on imports for most non-hydrocarbon commodities are no longer a concern. The country has taken responsible steps to become highly self-reliant in resources that sustain life, especially food, water and energy. Qatar's natural resources, coupled with the comprehensive dissemination of technologies are currently available and new technologies can push the country forward, giving it an enviable position in the twenty-first century.

Finally, there are more ambitious goals that Qatar may pursue. Now, that it is fully engaged with the world, Qatar realizes its potential as a beacon in the region among the Arab countries to serve as a catalyst for social welfare and good governance. This is not just a social exercise; good governance will lead to political stability and contribute to building a credible image on the global stage, which in turn will attract foreign direct investment to complement the efforts of the Government of Qatar to modernize the economy.

The current epidemiological situation had a slight impact on the Qatari economy as the Government stimulus was very successful in containing the impact of COVID-19. The real GDP is expected to grow by 3.8% over the period from 2022 to 2026, which will significantly support the essential non-hydrocarbon economy. According to the Ministry of Development Planning and Statistics, the construction sector will continue to expand even in the absence of new projects. The service sector will continue to grow strongly. This sector is expected to be the main contributor to overall growth. The hydrocarbon economy will be supported by new gas fields.



7 - Corporate Strategy

The Group operates as a comprehensive service and solution provider of ICT, mechanical and electrical engineering, and operation and maintenance services. The Group provides a range of solutions and services through its Subsidiaries. Each Subsidiary works in an important segment of the ICT, mechanical and electrical engineering, and operations and maintenance services. The Subsidiaries operate in a coherent and robust environment to provide comprehensive and integrated solutions with the highest standards of quality in the market. They are currently operating from the main headquarters of the Mekdam Holding Group. Currently, the Subsidiaries exclusively target public and private institutions, and do not perform any activity in the retail sector.

7.1 Purpose

A catalyst for positive social and economic change in Qatar

7.2 Vision

- To be the technology institution of preference for institutions seeking technology services in Qatar.
- To be the technology institution of preference for foreign technology institutional clients that have dealings with Qatar.

7.3 Mission

To add value to Qatar communities by offering a set of technology products and services that meet their needs efficiently and effectively, served by a competent, loyal and dedicated work force.

7.4 Strategy

The Group seeks to increase the value of the shareholding by exploiting the position of the Subsidiaries in providing leading services in the ICT sectors and enhancing their position among the customers by providing high quality and diverse services, which will increase the ownership value of the shareholders.

The Group plans to improve the overall value and return to investors by:

- I. Monitoring the implementation plans and results of the Subsidiaries through conducting discussions and reviews between the Group's Board of Directors and management members.
- II. Monitoring the cash management processes of Subsidiaries and contributing to the optimal allocation and utilization of the cash.

The Group continues to expand its market coverage in Qatar and enhance its portfolio of products and services and strives to maximize shareholder return. To achieve this vision, the Subsidiaries have adopted the following business strategy:

I. Increase in the Government Business

Qatar National Vision 2030 and the Vision Implementation Program offer a great opportunity for the comprehensive service and solution providers, including the Subsidiaries, in the fields of ICT, mechanical and electrical engineering, and operation and maintenance services. The Qatar National Vision 2030 is the roadmap to transform Qatar into an advanced society capable of achieving sustainable development with the aim of providing a high standard of living for all citizens by 2030. One of the most important pillars is economic development as the Qatar National Vision seeks to achieve diversification and growth in the non-oil sectors and work to transform Qatar's economy into a knowledge-based economy. The Ministry of Transport and Communications and the Qatar Foundation are leading the national efforts aimed at advancing progress in Qatar by creating an advanced society that adopts the best technology means. The establishment of the Qatar Science and Technology Park is one of the milestones in this regard.

The Subsidiaries have well-established relationships with the government agencies, as the government contracts accounted for 27% of their revenue during 2021. It is expected that the Vision Implementation Program will boost the demand for the entire business portfolio of the Subsidiaries. Based on their distinguished history in project implementation, strong financial position and comprehensive skills in the ICT fields and specialties, the Subsidiaries believe that they can capture a significant share of the growth. In addition, the Subsidiaries have the highest level of classification in the service provider sector regarding the government contracts in the following fields: 1) Information Technology Consulting, 2) Trading of Alarm, Fire and Safety devices and equipment, 3) Management and Employment of Professional Workers 4) Installation, operation and maintenance of cameras and security surveillance systems, which enabled them to bid for all government ICT work.

II. Focus on Emerging Technologies

The Subsidiaries regularly monitor new technologies, sector segments and market trends in the ICT sector, mechanical and electrical engineering, and operation and maintenance services. By working closely with their clients, the Subsidiaries can provide greater value-added proposals to achieve efficient business execution and improve productivity and reduce costs.

III. Expand through Complementary Technology

The subsidiaries will use their knowledge, innovations and experience in the field of information and communication technology to provide tailored and customized services to their clients in order to meet the needs of their sectors.

IV. Maintain a Good Reputation for Reliability and High-Quality Services

The Subsidiaries have an excellent reputation for their high quality, accurate and reliable services. The long-term client relationships established by the Subsidiaries, along with their proven track record of successfully executing projects on-time are a testament to the quality of the brand and the efficiency of the services they provide. To maintain this high level of excellence, the Subsidiaries will continue to hire highly skilled employees to ensure that their services comply with the highest standards. The Subsidiaries have also established a unified project management office at Mekdam Holding Group to ensure quality and timely implementation of the projects.

The Subsidiaries will leverage these factors to enhance their reputation in the market for consolidating the relationships with the clients and increasing the potential revenue significantly.

V. Enhance Relationships with the Strategic Clients

The Subsidiaries intend to strengthen their long-term relationships with strategic clients in both public and private sectors. As a part of their strategy, the Subsidiaries plan to have an ideal client portfolio so that they can focus more and provide better services in the various sectors of their work. In addition, Subsidiaries are constantly reviewing their market coverage plans to ensure optimal coverage and maintain long-term relationships with their clients. The Subsidiaries' capabilities will contribute to establishing and enhancing relationships with clients and expanding the range of services they provide to increase their revenue and profits.

VI. Continue to Enhance and Improve the Operational Efficiency

The Subsidiaries are constantly striving to enhance and improve their operational efficiency and capabilities to increase the profit margins and benefits of the shareholders. In this context, the Subsidiaries' plan to increase their profits by increasing their higher-margin businesses and improving the profit margins in general. At the same time, the Subsidiaries intend to simplify the cost structure, focusing on optimizing the use of the employees and resources.

VII. Strengthen the Capacities and Improve the Corporate Governance

The Subsidiaries aim to enhance their Corporate Governance capabilities by using human resource development to effectively support their growth and enhance the professional development of their employees. They also aim to strengthen Corporate Governance by adopting control policies and procedures and implementing better management of the risks.

7.5 Competitive Advantages of the Subsidiaries

The following sections present some main factors that the Subsidiaries believe will help them to benefit from the local, regional, and international trends of the ICT sector. Some of these demand influences are attributable to the macroeconomic factors, while others are linked with specific competitive advantages related to the Subsidiaries. Given the size, quality and diversity of services, the Subsidiaries believe that they are in a good position to benefit from the growing economic trends and requirements of the ICT sector.

I. Comprehensive Portfolio of the ICT Solutions and Services, Mechanical and Electrical Engineering, and Operation and Maintenance Services.

The Subsidiaries provide comprehensive services in the ICT sector, mechanical and electrical engineering, and operation and maintenance services. They also provide a full range of related services, from the primary hardware and software maintenance services to the largest systems integration projects with complex components and configurations. The clients prefer obtaining a "comprehensive" integrated solution from one provider, who may be more effective, cost-efficient, and responsible, instead of dealing with different providers, which may increase the project implementation period, increase cost, and reduce efficiency. The Subsidiaries believe that their

ability to provide an integrated solution that meets all their clients' ICT needs is an advantage that enables them to expand their client base and establish long-term and continuous contracts with their clients, which in turn would enhance their position in the market. Currently, the Subsidiaries maintain the highest level of accreditation with their strategic suppliers. The Subsidiaries hire highly qualified and trained personnel to provide the solutions and services related to their products. Most importantly, they have the skills necessary to integrate different technologies from different suppliers to provide their clients with the most comprehensive and cost-effective solutions. This is a complex process that requires in-depth knowledge and skills, which the Subsidiaries already have.

II. Patent

Mekdam CAMS has a patent registered with the Ministry of Economy and Trade. It has the best system to inform the authorities in the case of fire or burglary. Within seconds of the accident, the system sends a signal containing the location data, and the phone number of the person in charge of the building to the National Command Center, which in turn sends the specialized team to control the situation. Thanks to this patent, Mekdam CAMS has exclusive rights to the patented invention, thus preventing its competitors from copying the invention, entering the market, or competing with the company.

III. Grade A- Classification from the Government Procurement Regulatory Department

The Subsidiary companies are classified as Category 1 by the Government Procurement Regulatory Department at the Ministry of Finance. The classification was based on various data provided by the Group, including the financial and administrative status, previous experience and the quality of services provided. This classification allows the Group to apply for the tenders announced by the government agencies and increases the rate of success of these projects.

IV. Effective Project Management

The Subsidiaries are among the most distinguished companies in an extremely competitive and complex sector. They apply high-level standards for project control to increase the speed and quality of services provided to their clients. The Subsidiaries have established a unified project management office at Mekdam Holding Group to execute effective quality control processes and procedures. The project management office is also responsible for overseeing the development of the appropriate staff and monitoring the financing and billing of each project. The Subsidiaries believe that this model will enable them to achieve the highest standards of service delivery to meet and exceed customer expectations, while optimizing their resources so that they can achieve maximum returns.

V. Permanent Client Base

The Subsidiaries have acquired and maintained a steady client base, from the public and private sectors, which in turn generates repeated business opportunities for the Group. The relationship with those clients spans over four years. Some of the strategic and permanent clients includes: Qatar Petroleum, Ashghal, Qatar Amiri Guard, Qatar National Bank, Al Rayan Bank, Hamad International Airport, Sidra Medical and Research Center, Hamad Medical Corporation,

and QAPCO. The trust that many clients put in the Subsidiaries to set and plan their future IT strategies and investments is the best evidence of the detailed knowledge and understanding of the client's business. The Subsidiaries have signed supply and support services agreements for many years with their major customers.

VI. "Customer-First" Approach

The Subsidiaries consider the quality of their services and products as the primary element for their good reputation. So, they strive to provide the highest levels of quality and excellence to achieve customer satisfaction. The Subsidiaries also consider that their strong interest in quality is an integral part of their culture. This has made the Subsidiaries, one of the most trusted providers of ICT solutions in Qatar. This fact is supported by the long-term customer relationships and long-term contracts obtained by the Subsidiaries. The Subsidiaries believe that maintaining the highest levels of service will enhance their reputation, strengthen their position in the market and their relationships with the existing clients. In addition, it will help in attracting potential clients and expanding their business scope through providing new services.

VII. The Economic Ratio and Competitive Prices of the Subsidiaries' Products and Services

The Subsidiaries are well known in the market for offering competitive prices for their services. Given the size and scope of their business, the Subsidiaries can negotiate better terms with major suppliers, allowing them to continue offering competitive prices to their clients while maintaining good margins. In addition, the relative financial strength of the Subsidiaries, compared to their peers, enables them to implement large-scale projects, including multiple technologies and service lines over several years.

VIII. The Brand or Established Identity of the Subsidiaries

The Subsidiaries have strived to develop a clear brand identity to provide high-quality, secure and trusted services to customers in the ICT sector. The Subsidiaries also benefit from their ongoing and strong relationships with ICT partners, including:

- In the field of Information Technology: CISCO, HP, Lenovo, Dell Technologies, F5 Networks Limited, Huawei, Nordern
- In the field of Security Systems: Milestone, Axis Communication, Bosch, Hanhwa-Techwin, Planet, Rasilent.
- In the field of AV systems: Apex, Avixa, Christie, PAN Acoustics, PRODISPLAY, Creston
- In the field of engineering: Kahramaa, Exida, Nozomi networks, IKMDsc Engineering
- In the field of Alarm devices: BOSCH

The partnership is classified by the suppliers based on the following criteria: (1) the number of employees who received training and passed the specialization tests of the supplier technology. There are a minimum number of employees and specializations for each level in the partnership classification, and (2) the size of the business value implemented with the supplier. Each level of the partnership requires a minimum amount of business. In addition, the Subsidiaries hold quality certificates ISO 19001: 2015, ISO 14001: 2015 and OHSAS 45001: 2018. Mekdam Technology also has ISO 27001: 2013.

The awards and accreditations that the Subsidiaries have earned in recent years are a testament to the quality of the brand and the services provided. The Subsidiaries believe that this unique brand identity will help them maintain and enhance their position in the market through their businesses.

IX. Qualified and Experienced Employees

The Subsidiaries have an internal organizational culture that promotes work ethics. They believe that human capital is their most important asset. They benefit from the experience of their highly skilled employees for many years. Through the continuous efforts and experiences of their employees, the Subsidiaries managed to develop a sustainable business model. The team consists of qualified and certified ICT engineers, specialized pre-sales service engineers and account managers, all those who are working to enhance the value and the work spirit of the Subsidiaries in all ICT specializations and services. The Subsidiaries have maintained good relations with their employees. There are no imminent or threatened disputes.

X. Local Knowledge

Among the most important factors that contributed to the growth of the Subsidiaries is their deep knowledge and understanding of the culture and work environment of their public and private sectors' clients. This detailed knowledge and deep understanding enable the Subsidiaries to offer, customized solutions to their clients, often by their qualified and skilled employees who work directly with them. Suppliers also value local knowledge and the deep understanding that the Subsidiaries own, allowing them to access the Qatari market and establishing their presence in Qatar. This accounts for the long-standing and mutually beneficial partnerships that Subsidiaries have fostered with the suppliers over time.

XI. Reduced Assets Model

In the framework of their current business model, the Subsidiaries market, sell, customize, integrate, and provide after-sales services in relation to the ICT products and services provided by third parties. They do not design or have products or services registered in their name in the ICT sector. This means that their business model is not capital intensive. In 2021, the Group's total non-current assets amounted to QAR 18.3 million (excluding a plot with a value of QAR 27.3 million, equivalent to 9.1% of the total assets of QAR 201.7 million (for the same period).

The main advantage of the low capital costs is to give the Subsidiaries the necessary flexibility to adapt to the market changes. This model also has the added advantage, that the Subsidiaries are not held responsible for the customers' choice of the programs or special configuration options. In addition, the Subsidiaries are not exposed to the risks due to, for example, the defect, obsolescence, or malfunction of the product because they are not a party to the end-user license agreement concluded with customers. This agreement is concluded between the supplier and customers directly. It is concluded between the Subsidiaries and suppliers on one hand, and the suppliers and customers on the other hand.

XII. Market Growth Opportunities

The Subsidiaries believe that the ICT sector is expected to grow at a steady pace in the next few years because of the following:

- Development and growth of the Qatari economy.
- Emergence of the ICT in association with the Qatar Vision 2030.
- Increasing awareness of cybercrime in the light of large data breaches.
- Need to align businesses with the latest technologies (such as automation, robotics, cloud computing, and artificial intelligence).
- Lack of qualified personnel across the ICT value chain.

The Subsidiaries believe that these developments are expected to contribute to the growth of the ICT sector in the future. Given the magnitude of their business and their diverse service offerings, the subsidiaries are well positioned to reap the benefits of this growth.

MEKDAM
HOLDING GROUP

8- Management Discussion and Analysis

Management's discussion and analysis of the Group's financial position and results of its operations are based on audited financial statements and accompanying notes as of December 31 for the financial years 2020 and 2021, as well as information under the (Auditor's Report and Financial Statements) and should be read in conjunction with it.

8.1 Income Statement

In QAR	2021	2020
Revenue	284,264,816	146,334,982
Cost of Operations	(224,967,106)	(96,286,011)
Gross Profit	59,297,709	50,048,971
Other income	31,625	-
General and administrative expenses	(26,502,852)	(24,189,429)
Losses on impairment of financial assets	(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	(439,029)	(1,184,621)
Net Profit for the year	28,555,792	23,578,016

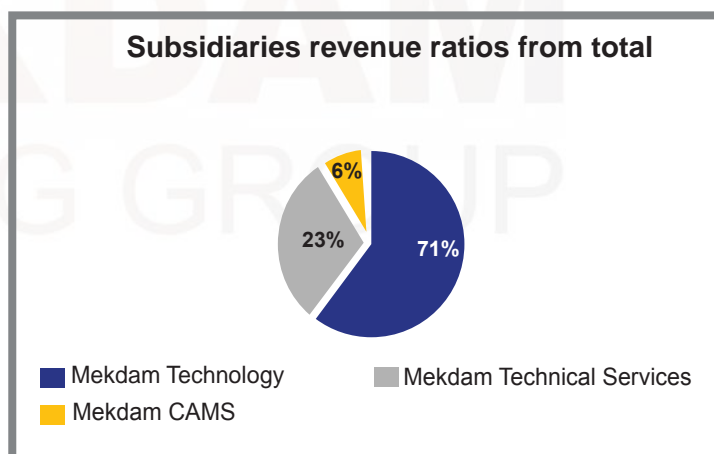
Source: Combined financial statements for the year ended December 31, 2021

The following discussion provides a general analysis of the core factors affecting the results of the Group's operations for the financial years ended December 31, 2020 and 2021.

Revenue

The Group receives its revenue through three subsidiaries: Mekdam CAMS, Mekdam Technology and Mekdam Technical Services, through which electronic services, operation and maintenance, networks, systems, and information security systems are provided. In 2020, the revenue contribution from subsidiaries accounted for 70.7% from Mekdam Technology, 23.4% from Mekdam Technical Services and 5.9% from Mekdam CAMS.

The Group achieved growth in business volume, with revenue reached QAR 284.3 million for the period ended December 31, 2021, compared to QAR 146.3 million for the same period of the previous year with a growth rate of 94.3%. The easing of COVID-19 related restrictions has accelerated the pace of business implementation and recovery from the previous decline in the project execution and profitability.



Source: Audited financial statements of Subsidiaries for the year ended December 31, 2021

Mekdam Technology achieved a growth rate of 116.2% in 2021. Mekdam CAMS achieved revenue growth of 26.2%, and Mekdam Technical Services achieved revenue growth of 39.6% during 2021.

In QAR	2021	2020
Revenue	284,264,816	146,334,982
Annual change (%)	94.3%	

Source: Combined financial statements for the year ended December 31, 2021

Mekdam Holding Group was able to sign new contracts with a total value of QAR 625 million exceeding the annual target for 2021. The contracts being implemented amounted about QAR 1,170 million, while the value of the remaining works amounted to about QAR 730 million. With respect to the sales proposals, the total offers submitted and being negotiated with customers amounted to about QAR 2,900 million. The expected success rate, according to historical indicators, ranges from 20% to 30%. The customer retention rate was around 90%. The Board of Directors emphasized the importance of these indicators to the Executive Management, as these indicators are the key factor in building revenue expectations, net future profits and enhancing the value of shareholders' equity.

Cost of operations

The cost of operations represents the purchase of all types of equipment, including but not limited to networks, data management tools, servers, standard communication devices, etc. Given the importance of operational costs to revenue, following is the data in absolute and percentage form:

In QAR	2021	2020
Cost of operations	224,967,106	96,286,011
As percentage of revenue (%)	79.1%	65.8%

Source: Combined financial statements for the year ended December 31, 2021

The operating cost has increased by 133.6% in 2021 from QAR 96.3 million in 2020 to QAR 225.0 million in 2021, and this rise is mainly attributed to the growth in the business volume. In addition, the rise in the transportation and shipping costs along with the rise in the cost of electronic materials as a result of the supply shortage of semiconductors and parts at the global level.

Gross Profit

In 2021, the gross profit increased by 18.5% from QAR 50.0 million in 2020 to QAR 59.3 million in 2021. This is primarily attributed to the increase in the business volume due to the easing of the restrictions of the COVID-19 pandemic in the State of Qatar. The level of profit margins decreased from 34.2% in 2020 to 20.9% in 2021, mainly due to the increase in the direct costs due to the restrictions of the COVID-19 pandemic and its impact on the global economy, as these restrictions led to high transportation and shipping costs along with the rise in the cost of electronic materials as a result of the supply shortage of semiconductors and parts at the global level. In addition to this, the Group resorted to subcontract with service providers so that it can deal with the increase of the volume of the contracts in 2021 under restrictions imposed due to COVID-19 pandemic and the inability to hire from abroad.

In QAR	2021	2020
Gross profit	59,297,709	50,048,971
Gross profit margin (%)	20.9%	34.2%
Gross profit margin of subsidiaries (%)		
Mekdam Technology WLL	14.9%	28.9%
Mekdam Technical Services WLL	23.1%	26.2%
Mekdam CAMS WLL	80.8%	80.6%

Source: Companies' financial statements for the year ended December 31, 2021

General and administrative expenses

General and Administrative expenses consist of expenses not directly allocated to the projects, including wages and salary expenses, employee benefits, marketing, and other expenses. General and administrative expenses include the cost of employees and salaries paid to employees working at the Group's headquarters. Employees' salaries and benefits accounted for 68.4% of total general and administrative expenses in 2021.

During 2021, General and Administrative expenses increased by 9.6% from QAR 24.2 million in 2020 to QAR 25.5 million in 2021. This is mainly due to the appointment of managers and employees in line with the expansion of the business that the Group plans in the coming years.

In QAR	2021	2020
General and administrative expenses	26,502,852	24,189,429
As percentage of revenue (%)	9.3%	16.5%
Annual Change (%)	9.6%	

Source: Combined financial statements for the year ended December 31, 2021

Impairment losses on financial assets

The Group's management periodically reviews the receivables to assess whether the impairment allowance should be recorded in the profit and loss statement when determining whether the credit risk of a financial asset has increased significantly since the initial evaluation and when estimating the expected credit losses.

The Group chose to measure the loss allowances for its financial assets at an amount equal to the expected 12-month credit loss. When determining whether the credit risk of a financial asset has increased significantly from initial evaluation and in estimating expected credit losses, the Group assumes that the credit risk on the financial asset has increased significantly if the maturity period exceeds 90 days. The Group considers a financial asset defaulted when:

- It is unlikely that the debtor will pay his financial obligations to the Group in full, without the Group resorting to procedures such as resorting to the agreed upon guarantee (if any);
- The financial asset exceeds a maturity period of more than 90 days.

In QAR	2021	2020
Losses on impairment of financial assets	1,455,059	655,265
As percentage of revenue (%)	0.5%	0.5%
Annual Change (%)	122.1%	

Source: Combined financial statements for the year ended December 31, 2021

The provision for impairment loss in the value of financial assets increased by 122.1% in 2021 from QAR 0.7 million in 2020 to QAR 1.5 million in 2021. This is due to the Group's assessment of the receivables and the correctness of their realization, and the management decided to record QAR 1.5 million for the year 2021.

Finance cost

Interest expense constitutes the costs of loans and financing, the following table shows the amounts of those expenses and their percentage of revenue:

In QAR	2021	2020
Finance cost	439,029	1,184,621
As percentage of revenue (%)	0.2%	0.8%
Annual Change (%)	(62.9%)	

Source: Combined financial statements for the year ended December 31, 2021

Finance costs including loan costs, bank fees, and other bank administrative costs or financial charges. During the year 2021, the financial burden decreased by 62.9% from QAR 1.2 million in 2020 to QAR 0.4 million in 2021. This was primarily the result of the Group's ability to repay the loans early and its ability to finance its business through its annual profits and short term loans for business operations. The Group has three different loans that have been borrowed to finance the business at an interest rate of 4.5% to 5.75%, with a maturity period of these loans ranges from 2022 to 2024.

Net profit for the year

During 2021, net profit increased by 21.1% from QAR 23.6 million in 2020 to QAR 28.6 million in 2021. This is attributed to the increase in revenue.

In QAR	2021	2020
Net profit for the year	28,555,792	23,578,016
As percentage of revenue (%)	10.1%	16.1%
Annual Change (%)	21.1%	

Source: Combined financial statements for the year ended December 31, 2021

8.2 Statement of Financial Position

The following table shows the financial position of the Group as of December 31, 2020 and 2021.

In QAR	2021	2020
Assets		
Non-current assets	45,520,780	37,673,468
Current assets	156,212,233	65,782,950
Total assets	201,733,013	103,456,418
Shareholders' equity and Liabilities		
Shareholders' equity	88,379,314	59,823,523
Non-current liabilities	10,141,167	16,611,048
Current liabilities	103,212,532	27,021,847
Total Shareholders' equity and Liabilities	201,733,013	103,456,418

Source: Combined financial statements for the year ended December 31, 2021

Non-current assets

Property and equipment

The Group purchased a 3,167 square meters of land at a cost of QAR 27.3 million on October 15, 2018, to establish its headquarters. The equipment consists mainly of computers, servers, and other auxiliary devices. Net book value did not fluctuate substantially from December 31, 2020, to 2021, except for the addition of vehicles, computers, servers, and other auxiliary devices during 2021 worth QAR 1.8 million in line with the expansion in the volume of business that the Group plans in the coming years.

In QAR	2021	2020	Annual Change (%)
Land	27,272,000	27,272,000	N/A
Motor vehicles	2,120,460	1,534,265	38.2%
Furniture, fixtures, and office equipment	1,217,359	1,711,260	(28.9%)
Tools and equipment	289,423	139,817	107.0%
Capital work-in-process	167,732	-	100.0%
Net book value	31,066,974	30,657,342	1.3%
As percentage of total assets (%)	15.4%	29.6%	

Source: Combined financial statements for the year ended December 31, 2021

Current assets

Cash and bank balances

Cash and bank balances consist of bank balances and cash margin held against the bank guarantees (restricted cash) for the projects. Cash balances and cash margin increased by 22.0% on December 31, 2021, compared to the same period in the previous year.

In QAR	2021	2020
Cash in hand	4	4
Cash at bank	5,943,302	10,035,899
Cash margin held against bank guarantees - restricted cash	12,099,409	4,754,213
Total	18,042,716	14,790,116
As percentage of total assets (%)	8.9%	14.3%

Source: Combined financial statements for the year ended December 31, 2021

Accounts receivable

Accounts receivable and other debit balances consist of the amounts due that are charged to customers as claims at the date of each balance sheet. Accounts receivable and debit balances increased by 139.7% on December 31, 2021 from QAR 37.9 million on December 31, 2020 to QAR 90.9 million as of December 31, 2021. The main reason behind this was the increase in the value of revenue by QAR 137.9 million.

The Group follows a policy according to which a provision is made for customers' receivables after 90 days from the due date, while no provision is made for government sector clients until more than 5 years have passed since the balance due date. The provisions for impairment of receivables increased by 16.4% on December 31, 2020 from QAR 8.0 million to QAR 9.3 million on December 31, 2021. The main reason for this is that management believes that there is no additional credit provision required than the existing provision in 2021.

The total receivables that are not past due over 30 days represented 76.4%, the total receivables due between 31 to 60 days represented 8.6%, and the total receivables due between 61 to 90 days represented 1.5% of the total receivables as of December 31, 2020. The total receivables that are past their due date by more than 90 days are mainly customers related to the government sector represented 4.1% and for private sector more than 90 days represents 9.4% of the total receivable.

In QAR	2021	2020	As percentage of total receivables (%)
Less than 30 days	75,326,061	26,884,838	76.4%
31 - 60 days	8,442,014	2,517,398	8.6%
61 - 90 days	1,508,639	1,503,065	1.5%
Above 90 days	4,015,460	1,163,549	4.1%
Past dues- more than 90 days	9,250,000	6,250,000	9.4%
Total	98,542,173	38,318,850	100.0%
Other debit balances	1,639,825	7,566,366	
Past dues impairment provision	(9,250,000)	(7,950,000)	
Total	90,931,998	37,935,216	
As percentage of total assets (%)	45.1%	36.7%	

Source: Combined financial statements for the year ended December 31, 2021

Contract assets

The Contract assets amount results from the difference between earned revenue (based on the percentage of completion) and the billing cycle (based on the milestones agreed with the customers).

Net contract assets increased by 484.8% on December 31, 2021 from QAR 4.5 million on December 31, 2020 to QAR 26.2 million on December 31, 2021. The main reason behind this was the expansion of the Group's business volume.

In QAR	2021	2020	Annual Change (%)
Value of work performed at cost plus attributable profit	573,144,971	366,570,773	56.4%
Billing on contracts in progress	(546,960,906)	(362,093,637)	51.1%
Total	26,184,065	4,477,136	484.8%

Source: Combined financial statements for the year ended December 31, 2021

Related parties' transactions and balances

As part of the procedures taken for the listing process, the Group's management succeeded in limiting the dues from related parties.

In QAR	2021	2020
Balances with related parties	0	54,527
As a percentage of total assets (%)	0.0%	0.1%
Annual change (%)	(100.0%)	

Source: Combined financial statements for the year ended December 31, 2021

Liabilities

Loans

The Group obtained outstanding loans on various dates from 2020 to 2024, mainly to finance the client projects. Loans increased by QAR 14.9 million as of December 31, 2021, from QAR 15.3 million on December 31, 2020 to become QAR 30.2 million on December 31, 2021. The main reason behind this was the increase in short-term loans allocated for projects financing.

In QAR	Interest rate	Maturity date	2021	2020
Term Loan	5.75%	2022	4,969,673	8,197,190
Loan against trust receipt	5.75%	2022	18,112,055	-
Government support loan (Covid-19)	4.50%	2024	7,100,900	7,100,900
Total			30,182,628	15,298,090
As percentage of total shareholders' equity and liabilities (%)			15.0%	14.8%

Source: Combined financial statements for the year ended December 31, 2021

Accounts payable and other credit balances

Accounts payable mainly consist of technology suppliers who provide implementation and other support services. Accounts payable increased by 254.7% from QAR 21.6 million on December 31, 2020 to QAR 76.7 million on December 31, 2021. The main reason behind the increase in the credit rating with the suppliers, which led to the increase in the turnover of accounts payable from 82 days as on December 31, 2020 to 124 days as on December 31, 2021. In addition, the expansion of the volume of business, which led to an increase in the number of suppliers and the ability to obtain credit to finance purchases of operations.

In QAR	2021	2020
Account payables and other credit balances	76,650,456	21,610,453
Average turnover days of credits (day)	124	82

Source: Combined financial statements for the year ended December 31,2021

End of service benefits

End-of-service benefits are a statutory requirement for all Qatari companies and are payable to employees upon resignation or termination of their contracts in the Group. End-of-service benefits for employees increased by 44.8% from December 31, 2020 to 2021. The main reason for this was the increase in the number of employees during 2020 and increase in the service period for whom the end-of-service benefits being completed after their first year with the Group which was recognized on December 31, 2021.

Shareholders' Equity

In QAR	2021	2020
Share Capital	50,000,000	10,000,000
Legal Reserve	2,855,579	4,211,638
Retained Earnings	35,523,735	45,611,885
Total Shareholders' equity	88,379,314	59,823,523

Source: Combined financial statements for the year ended December 31,2021

The Group's capital amounted to QAR 50.0 million as of December 31,2021.

Legal reserve is a statutory requirement for all Qatari companies. According to the recent regulations, the Group is obligated to allocate a legal reserve after absorbing the accumulated losses (if any) by allocating 10% of the net income until the reserve equals 50% of the capital; the reserve represented 3.2% in 2021 compared to 7.0% in 2020 from to shareholder's equity. Legal reserve has decreased by 32.2% due to usage of the reserve in increasing the share capital. This reserve is not available for dividends. However, according to the Group's articles of association the Group must allocate 10% of the net income until the reserve equals 50% of the capital, and the Group will stop these transfers until the reserve reaches 50% of the capital.

The retained earnings decreased from December 31, 2020 to December 31, 2021 due to the use of retained earnings in the capital increase, in addition to the transferred amount from the legal reserve.

The Board decided to recommend the General Assembly for the distribution of dividends to shareholders at the rate of 75% of the Group's capital, so that cash dividends are distributed at 35% of the Group's capital with a total amount of QAR 17.5 million and bonus shares are distributed to at 40% by increasing the Group's capital by QAR 20.0 million to become QAR 70.0 million instead of QAR 50.0 million, by taking the following procedures:

- Transferring an amount of QAR 2,855,579 from the legal reserve to the capital.
- Transferring an amount of QAR 17,144,421 from the retained earnings to the capital.

8.3 Cash Flows

The following table summarizes the status of cash flows for periods that ended on December 31, 2020 and 2021.

In QAR	2021	2020
Net cash (used in)/generated from operating activities	(10,089,834)	51,129,421
Net cash (used in) investment activities	(1,542,104)	(1,812,805)
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,	10,035,903	3,831,548
Cash and cash equivalents - at December 31,	5,943,306	10,035,903

Source: Combined financial statements for the year ended December 31, 2021

Net cash flows from operating activities

Due to the increase in the business volume and the increase in Accounts receivables and other debit balances has impacted the cash flow from operating activities.

Net cash flow from investment activities

Net cash flows from investment activities represent the sale of Investments available for sale and financing the capitalized assets amounted QAR 1.8 million during 2021.

Net cash flow from financing activities

The Group regularly resorts to external financing to finance its projects, which is a normal practice in this business sector. The Group transferred a portion of its free cash to restricted cash as collateral for certain bank facilities.

8.4 Net Financial Loan

The following table exhibits the net financial loan of Mekdam Holding Group as of December 31, 2020 and 2021, which were extracted without any major change from the combined financial statements.

In QAR	2021	2020
Cash and cash equivalents	(18,042,716)	(14,790,116)
Current financial loans	25,086,079	3,941,040
Net current (fund) loans	7,043,363	(10,849,076)
Non-current financial loans	5,096,549	11,357,050
Net financial loans	12,139,912	507,974

Source: Combined financial statements for the year ended December 31,2021

8.5 Negative and fundamental change

There have been no adverse changes in the Group's financial position since the issuance of the last audited financial statements to date.

MEKDAM
HOLDING GROUP

9 - Environmental and Social Responsibility

What can we do ?



An overview of the Environment, Social and Governance

Mekdam Group always aims to achieve the best. Mekdam understands the importance of environmental, social, and governance aspects in an organization, therefore, it spares no effort in inculcating a well-prepared culture that contributes to enhancing the environment and providing the best for society. It has developed an approach and strategy related to the environment, social, and governance for Mekdam Group and its implementation in all subsidiaries in a manner consistent with Qatar National Vision.

9.1 Qatar's Vision for sustainability

The State of Qatar is moving forward in its transformation into an advanced society that can maintain its development and provide an excellent standard of living for its people. Qatar's National Vision defines the long-term goals for the country and provides a framework in which national strategies and implementation plans can be developed.

- Modernization and preservation of traditions
- The needs of the current generation and of future generations
- Managed growth and uncontrolled expansion
- The size and quality of the expatriate labor force and the selected path of development
- Economic growth, social development, and environmental management



9.2 ESG Roles and Responsibilities

Mekdam's ESG strategy is very well undertaken by ESG committee members who ensure that the ethics are responsibly followed, and the organization maintains an excellent organizational culture. Our employees and audit committee has the following responsibilities: -

- Oversee the Group's ESG strategy, policies, and business processes – Oversee ESG reporting and external disclosures in compliance with international standards and best practices.
- Ensure that the group follows all applicable laws and regulations, as well as norms, code of ethics, and standards.
- Oversee the environmental, social, and governance (ESG) due diligence process for any proposed investment and make suggestions based on the results.

9.3 Environmental Factors

- Climate change
- Energy efficiency and resource use
- Air emissions and air quality
- Ocean health and biodiversity
- Trash Management



Mekdam Group is effectively and efficiently committed towards disposing of electronic waste through approved third parties. There are numerous electrocution risks as well as other hazards on-site which is managed well by Mekdam by adopting safe working conditions like wearing Personal Protective Equipment (PPE), constantly and complying with the toxicological guidelines and attending continuous awareness sessions.

Heat stress is a continual risk that affects the health and safety of workers. Therefore, the Group has implemented mandatory short breaks in addition to masks, shelters, etc. to reduce the stress. There are no significant incidents; however, fatalities and injuries are always a risk factor. Therefore, we have developed a team of well-trained first aiders/ firefighters who will be present all the time to manage such risks.

COVID-19 has the most significant threat in this sector, and the Group is continuously providing training for workers in accordance with the Government guidelines.

9.4 Social Factors

- Health, safety, and wellbeing
- Human Capital/Employee Relations
- Diversity & Inclusion
- Responsible procurement & Supply chain
- Community engagement.



Mekdam carefully evaluates the employee rights, interests, wellness, and issues (e.g., workplace health and safety track record, working standards etc.) and maintains good relations with clients and communities in general.

- Mekdam actively promotes adopting safe working practices, employee welfare policies and diversity and inclusion efforts across our companies.
- Mekdam regularly undertakes employee welfare programs and adopts clearly defined policies against workplace discrimination and the prevention of sexual harassment.
- Our current major challenge is COVID-19 and its variants that have adversely affected the health and safety of all our stakeholders, however, at Mekdam we have taken the corrective measures to curb the spread and maintain a safe working environment.

9.5 Environment

As part of our long-term investment approach, Mekdam views climate change as an important risk that impacts the sustainability as well as the performance of its investee companies.

- Mekdam views climate change and ozone depletion as both a risk and an opportunity and therefore, integrates 'environmental considerations' in its investment and administration analysis framework.
- Mekdam engages with suppliers and has worked to improve the management of ESG issues.
- Many of our partners, investors, and suppliers have actively taken steps aimed at environmental conservation and sustainability that include the use of renewable energy, waste-water recycling, and zero effluent discharge, amongst other measures.

Mekdam recognizes the growing concerns related to climate change and agrees that climate change represents one of the greatest challenges of our time, and we are committed to doing our part as outlined in our Climate Change Statement. We also map out additional opportunities to address climate risk and support our customers as they transition to a low carbon economy. Moreover, we put mechanisms in place to minimize the impacts of climate change on our communities.



Physical Risk

Physical risks are site-specific, for instance, exposure to fluctuating precipitation patterns and climate calamities including widespread rising temperatures and rising ocean levels. Mekdam Holding Group considers the location of the customer's operations when assessing its related business risks.

Regulatory risk

Measures on climate change policies are constantly evolving, and their objectives are generally categorized into two segments: Attempts to restrict actions that contribute to the adverse effects of climate change, and activities that seek to promote adaptation to change

Transition risk

There are various financial risks that arise when transitioning to a low carbon economy, and these changes can influence consumer demand or the prices of goods, for instance, which are based on the value of a wide range of goods and services when the costs and opportunities are most evident. Other changes require extensive strategy, legal and technological changes to address relevant mitigation and adaptation requirements that are linked to changes in climate.

9.6 Social

Along with Environmental and Governance aspects, the social sustainability standards such as health and safety, employee welfare, equal employment opportunities, diversity etc. are also equally important. Mekdam is committed to engaging in social factors and including these aspects in the strategy and decision-making process which serves as an important tool for the investors, customers, policymakers, and its stakeholders.

As the pandemic continues with new variants, we continue to manage the spread of COVID-19 and its impact on the employees by taking suitable measures to curb the spread and aligning ourselves with the Government rules and regulations.

9.7 Pandemic Management Strategy

Mekdam employees have already completed 85 % of the booster dose. There are several strategies developed by Mekdam to fight the current epidemic in a more systematic way. One of these strategies includes providing adequate training to the employees and the factors that help the Group to maintain its market dominance are: -

- Emergency Drills
- Safety Labels
- Closed monitoring to vulnerable people
- Random PCR tests
- Screening at the office entrance
- Safety message from Mekdam Management is strongly committed towards health, safety & environment, Legal clause and consequences of COVID-19
- Safety Guidelines& Signages: Practice Social Distancing
- Thermal Camera
- Site Safety Induction
- HSE Meeting Program is convened to ensure that health, safety, and environmental issues are formally presented at all construction sites, which will be chaired by the Project Manager.
- Activation of special work arrangements for employees to work from home
- Contact tracing of positive cases and isolation of suspected cases.

9.8 Integrated Management System

The Integrated Management System (IMS) consists of Quality Management System (QMS); Environment Management Systems (EMS) and Occupational Health and Safety Management System (OHSMS).

Mekdam Holding Group has established, documented, and implemented an effective Integrated Management System as a means of ensuring that it:

- Meets or exceeds the expectations and requirements of its customers; continually monitors, measures and improves customer satisfaction; Continually monitors, measures and improves its own performance;
- Provides a safe working environment for all its employees and interested parties.
- Addresses the hazards and risks associated to its processes.

- [illegible]



The IMS Policy has been established, reviewed, and approved to ensure it is appropriate to the purpose and context of the organization, supports its strategic direction, demonstrates a commitment to the achievement of quality, environmental and occupational health & safety, prevents any injury & ill-health from occurring, complies with applicable legal and other requirements, and supports continual improvements. It is also used to provide a framework for determining objectives, helping to ensure that quality, environment, and occupational health & safety permeate through all parts of Mekdam Holding Group and its culture. Moreover, Integrated Management System includes the following standards:

- Plan, respond, and recover from any emergency or crisis situations.
- Allocate necessary resources and provide the required training to all employees.
- Develop and nurture a safe risk-free culture by conducting regular risk assessments and deploying appropriate measures to mitigate risks on existing activities.
- Regularly reviewing QHSE policies, objectives & targets and ensuring continual improvements and prevention of pollution and protection from illness and injuries.
- Assure a safe workplace by establishing effective operational procedures, structured inspections, and employing qualified personnel in all sectors of the Group's activities.
- Ensure all interested parties are aware of and comply with the Group's policy.
- Ensure that QHSE policy is available to relevant stakeholders, as appropriate.
- Commitment towards continuous improvement of our Integrated Management System, and involve our employees, customers, suppliers, and all stakeholders in achieving the desired results.



10 - Internal Audit



At MHG, our Internal Audit Department is established to provide an independent and objective assurance service to ensure Stakeholder's expectations on the quality and effectiveness of Corporate Governance, Risk Management, Internal Controls and Operational Efficiency of the organization are safeguarded.

The Group Internal Audit Department holds an important position in the organization with regards to assessing the ethical climate and the effectiveness and efficiency of operations, compliance with rules/regulations and overall best business practices and ensuring good Corporate Governance and acts as a bridge between Management and the Board. It has a precise and risk-based audit plan which comprises of testing almost all activities/operations of the Group and ensuring not only the financial risks but also other broader risks like Technology/Innovations & Growth Risks, Economical/Social Policies and its impacts on the organization, Reputation Risk, Operational Risk Management, ESG Compliance, and Employee/Other Resource Development are closely reviewed and efficacy of the control mechanism in place is constantly reviewed and reported.

The Internal Audit Department has a well-defined Audit Charter approved by the Audit Committee, which ensures an unrestricted access to all resources of the group including records, documentation, IT & Systems, various data dashboards, assets/human resources, and Senior Management & Board of Directors. Our Internal Audit function has an extended role by constantly serving multiple stakeholders through a combination of both assurance and consultancy services to ensure that organization goals are attained in the most efficient way and Management/Board strategies (both short terms & long term) are realised. Yet, our Internal Audit Function remains fully independent with its reporting line to the Board of Directors.

Professionalism:

Our internal audit activity has a self-governed framework that adheres strictly to the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. In addition, the internal audit activities adhere to Group's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

Independence And Objectivity:

The internal audit activity will remain free from interference, including matters of audit selection, scope, procedures, frequency, timing, or report content allowing absolute independence and objectivity.

The Group's Internal Audit Activity is headed by the Head of Internal Audit Department, who reports directly to Board of Directors through the Audit Committee, hence ensuring the independence of the audit function. The approved Audit Charter elaborates the duties of Audit Committee in this regard to nominate and approve the Head of Internal Audit Department and to monitor, review, track and evaluate the performance as well as remuneration and audit budgets/resources.

Internal Audit Department have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Audit Department will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment. Internal Audit Department will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Head of Internal Audit will confirm to the Board, at least annually, the organizational independence of the internal audit activity.



Scope & Responsibility : Assurance / Advisory Service To Stakeholders

The Scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organization's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.

- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Advise management on best practices and areas for improvements.
- Providing consulting and advisory services related to governance, risk management and control as appropriate for the organization.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board.
- Key Corporate Events – Internal Audit Department with the approval of BOD will decide if these events (business process change, new products, and services, outsourcing decisions and acquisitions/divestments etc) are sufficiently supported with relevant information to evaluate whether such key decision-making is fair, balanced, and reasonable.
- Evaluating specific operations at the request of the Board or management, as appropriate.

Our Internal Audit Characteristics



“We have a holistic and impactful approach to Internal Audit with primary focus to greater transparency and accountability across the organization to achieve the Stakeholder confidence”



Enhanced Governance & Compliance Structure

Internal Audit Department is constantly reviewing and updating the Corporate Governance & compliance framework to ensure that, it remains compatible with the changes/updates in International Corporate Governance practices as proposed by various regulatory bodies. It involves reviewing the audit fields, conducting risk assessments, Internal & External quality assurance reviews, follow up processes and other relevant governance practices as updated by International Professional Practice Framework (IPPF).

Audit Programme & Techniques

With regards to our entry to the Qatar Stock Exchange's Venture Market, FY 2021 was very challenging and eventful for MEKDAM in several ways. After the successful Initial Public Offering, we have witnessed a tremendous growth in the business, which is evident through our financial performance and the recently awarded projects. We updated our Audit Engagement Programmes to meet these requirements and to address the emerging risks and regulatory compliance issues as well. Internal Audit Function has contributed significantly in promoting control awareness and risk culture across all areas of our business, i.e., from process owners to Senior Management & BoDs.

We have conducted a detailed gap analysis study over all areas of our entity and developed an updated risk register to focus more on key risks and promoting greater transparency and accountability across the departments. Audit programmes were designed to deliver quarterly reports summarizing division/department wise audit outcomes and an Annual Report with overall risk position, controls, value-adding processes, compliance assurance and recommendations.

Going Forward

Mekdam is leading the drive for the Technological Innovations and development in line with Qatar's Vision 2030. Considering the FIFA World Cup event in 2022, many of our projects are progressing in a fast pace to meet the deadlines and resources are deployed in line with that. In this context, Internal Audit Department will focus more on the emerging risk exposures if any, reviewing and assessing the efficiency and effectiveness of the operations and controls, monitor the progress of the remedial measures, and continue to promote the risk awareness across the organization.

The Internal Audit Department is focuses on helping the Board and Executive Management to protect the assets, reputation and sustainability of the organisation and thereby promote the confidence of all stakeholders in the Group.

MEKDAM
HOLDING GROUP

11 - Report of the Board of Directors on Internal Controls Over Financial Reporting (ICOFR)

Introduction

The Board of Directors of Mekdam Holding Group Q.P.S.C. and its subsidiaries (“Mekdam” or “the Group”) are responsible for establishing and maintaining appropriate internal control over financial reports (ICOFR system) as required by the Corporate Governance Code for joint-stock companies and legal entities listed on the main stock exchange. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the correctness of the financial reporting and the preparation of the report. The Group's consolidated financial statements are for external reporting purposes in accordance with International Financial Reporting Standards. Internal control over financial reporting also includes the Group's disclosure controls and procedures that are designed to prevent errors.

Risks in financial reporting

The main risks in financial reporting are either due to the consolidated financial statements are not fairly presented due to inadvertent or intentional errors or the consolidated financial statements are not published in a timely manner. A failure to present the financial statements fairly arises when one or more amounts in the financial statements contain material misstatements (or omissions) or the disclosures contain material misstatements. Misstatements are considered material if, individually or collectively, they could influence the economic decisions taken by the users based on the consolidated financial statements.

In an effort to reduce the risk of financial reporting, the Group has set internal control systems over financial reporting in order to provide reasonable assurance, but not absolute assurance against material misstatement. The Group evaluated the design of internal control over financial reporting, its implementation and operational effectiveness based on the criteria defined in the Integrated Framework - Internal Control 2013, issued by the Committee of Sponsoring Organizations (COSO). COSO recommends setting specific objectives to facilitate the design and evaluation of the adequacy of the internal control system. As a result, when establishing the COSO system for internal control over financial reporting, the management adopted the following financial statement objectives:

- Existence/Occurrence - the assets and liabilities exist, and the related transactions have occurred.
- Completeness - all transactions are recorded, and account balances are included in the consolidated financial statements.
- Valuation/Masurement - assets, liabilities, and transactions are recorded in the financial reports at the appropriate value.
- Rights, Obligations, and Ownership - Rights and obligations are appropriately recorded.
- Presentation and Disclosure - Classification, disclosure, and proper presentation of financial reports.

However, any system of internal control, including internal control over financial reporting (ICOFR), no matter how well designed and operated, cannot provide an absolute measure of effectiveness. As such, ICOFR's disclosure controls, procedures, or systems may not prevent all errors and frauds. Accordingly, the design of the control system must reflect the reality of resource constraints, and the benefits of controls must be considered in relation to their costs.

Measure the design, implementation, and operating effectiveness of internal control

The Group has conducted a formal assessment of the adequacy of the design, implementation, and operational effectiveness of the ICOFR system for the fiscal year 2021 considering:

- The risk of error of the items included in the consolidated financial statement, taking into consideration factors such as the significance and susceptibility to the error of the financial statement item.
- The susceptibility to failure of controls, considering factors such as degree of automation, complexity, risk of management override, competency of staff, and the level of judgment required.

Collectively, these factors determine the nature, timing, and level of evidence required by management to assess whether the design, implementation, and operation of the ICOFR system are effective. The same evidence is obtained from procedures within daily responsibilities for the staff or specially implemented procedures for ICOFR's assessment.

The management evaluation includes an evaluation of the design, implementation and effectiveness of the operation of the controls in the various operations, including revenue, receivables and receipts, purchases, treasury management, inventory, investments, human resources, assets, and financial statements. The assessment also includes an assessment of the design, implementation, and effectiveness of the operation of Group-level controls, general information technology controls, and disclosure controls.

Conclusion

As a result of evaluating the design, implementation, and operational effectiveness of the ICOFR system, the management has not identified any material weaknesses/errors and concluded that the operation of the ICOFR system has been adequately designed and implemented as of December 31, 2021.

12 - Reasonable Independent Assurance Report On Internal Control Over Financial Reporting



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Independent Assurance Report to the Shareholders of Mekdam Holding Group Q.P.S.C. on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016

To the Shareholders of
Mekdam Holding Group Q.P.S.C.
Doha, State of Qatar

Report on the Directors' assessment of the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 of Mekdam Holding Group Q.P.S.C., hereinafter referred to as the "Company" and its subsidiaries together referred as the "Group" in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016.

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Management's Internal Control Statement on assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (Management Internal Control Statement) as of December 31, 2021, based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission "COSO framework".

Responsibilities of the directors and those charged with governance

The Board of Directors are responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate policies, and making accounting estimates and judgements that are reasonable in the circumstances.

The Group's assessment of its internal control system is presented by the Management to the Board of Directors in the form of the Management's Internal Control Statement contained in disclosure the Corporate Governance Section in the Group's Annual Report, which includes:

- the management's assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the Significant Process of (entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records);
- the control objectives; including identifying the risks that threaten the achievement of the control objectives;
- designing and implementing controls to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as at December 31, 2021, based on the criteria established in the Internal Control- Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO framework").

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Independent Assurance Report to the Shareholders of Mekdam Holding Group Q.P.S.C. on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 (Continued)

Responsibilities of the directors and those charged with governance (Continued)

These responsibilities include the design adequate internal financial controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to the Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. [5] of 2016.

Responsibilities of the Assurance Practitioner

Express a reasonable assurance opinion on the fairness of the presentation of Management's Internal Control Statement, based on the criteria established in COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's internal controls over financial reporting of "Significant Processes" presented in disclosure in the Corporate Governance Section in the Group's Annual Report to achieve the related control objectives stated in that description based on our assurance procedures.

Reporting on internal controls over financial reporting

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised 'Assurance Engagements Other Than Audits or Reviews of Historical financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB')). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Management's Internal Control assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting of significant processes in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework. A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements.

For the purpose of this engagement, the processes that were determined as significant are: (entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records).

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design, implementation and operating effectiveness of the controls in an organization involves performing procedures to obtain evidence about the suitability of design and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for significant processes; assessing the risk that a material weakness exists; and
- testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment
2. Risk Assessment
3. Control Activities



Independent Assurance Report to the Shareholders of Mekdam Holding Group Q.P.S.C. on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 (Continued)

Reporting on internal controls over financial reporting (Continued)

In carrying out our engagement, we obtained understanding of the following components of the control system (Continued):

4. Information and Communication
5. Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Corporate Governance Report. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in disclosure twelve of the Corporate Governance Report were achieved.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Management's Internal Control Statement over their assessment of the suitability of design and operating effectiveness of the Group's internal controls over financial reporting.

Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Meaning of internal controls over financial reporting

Independent Assurance Report to the Shareholders of Mekdam Holding Group Q.P.S.C. on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 (Continued)

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements



Independent Assurance Report to the Shareholders of Mekdam Holding Group Q.P.S.C. on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 (Continued)

Inherent limitations

Because of the inherent limitations of internal financial controls over financial reporting and compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated as of December 31, 2021 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting and compliance with applicable laws and regulations prior to the date those controls were placed in operation.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report but, does not include Management's Internal Control Statement.

Our conclusion on the Management's Internal Control Statement does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

If, based on the work we have performed, on the other information that we obtained prior to the date of this 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 Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

Opinion

In our opinion, the Management's Internal Control Statement set out in disclosure in the Corporate Governance Section in the Group's Annual Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's Internal Controls Over Financial Reporting as at December 31, 2021.

For Russell Bedford and Partners
Certified Public Accountants



Hani Mukhaimer
License No. (275)
QFMA License No. (1202013)



Doha, State of Qatar
January 27, 2022



MEKDAM
HOLDING GROUP Q.P.S.C

13 - Governance Report 2021

Contents

1.	The basis of preparing the Corporate Governance report for the year 2021.....	77
2.	Compliance with governance principles	77
3.	Violations and penalties	77
4.	Board of Directors	78
5.	Composition of the Board	78
6.	Board members.....	78
7.	Board of Directors' positions.....	80
8.	Board of Directors' terms of reference, duties, and responsibilities	80
9.	Board of Directors' meetings attendance.....	83
10.	Board responsibilities.....	83
11.	Duties of the Chairman	84
12.	Obligations of Board members	85
13.	Board committees emanating from the Board of Directors	85
14.	First: Audit and Risk committee.....	85
15.	Second: Nominations and Rewards committee.....	88
16.	Third: Investment committee	90
17.	Assessment of the Board of Directors performance	91
18.	Board Secretary.....	92
19.	Senior Executive Mangement	93
20.	Ownership of Board members and Executive Management	94
21.	Disclosure of Remuneration.....	94
22.	Internal control	95
23.	Internal audit department	95
24.	External auditors'	96
25.	Disclosure and transparency	96
26.	Transparency and upholding the interest of the Group	96
27.	Conflicts of interest	97
28.	Legal issues	97
29.	Shareholders' equity	97
30.	Stakeholder rights	99
31.	Major changes	100
32.	Social responsibility	101

The Basis of Preparing the Corporate Governance Report for the year 2021

Mekdam Holding Group Q.P.S.C. ("Mekdam" or "the Group") was listed on the Qatar Stock Exchange's Venture Market on August 2, 2021. Although the Group is listed in the Venture Market above for the best governance systems and more disclosure and transparency with shareholders, and supervisory authorities, the Corporate Governance Report for the year 2021 was prepared in accordance with the Governance Code for Companies and Legal Entities Listed on the Main Market issued by the Qatar Financial Markets Authority ("Corporate Governance Code")

Mekdam Holding Group Q.P.S.C. has complied with the provisions of the Corporate Governance Code for Companies and Legal Entities Listed on the Main market issued by Qatar Financial Market Authorities, and the Group has implemented all the provisions of the Corporate Governance Code. The Corporate Governance Report is included in the Group's annual report, which is distributed to shareholders and uploaded on the Group's website.

Compliance with Governance Principles

In compliance with the Group's Corporate Governance Code controls, it has been ensured that all principles and provisions of the Governance Code apply to all employees of the Group and relevant parties, unless a special provision is mentioned in any of the Qatar Financial Markets Authority's (QFMA) legislation. The Group also discloses its commitment to apply the principles and provisions of the Corporate Governance Code in its report, and there is currently no cases of non-compliance.

The Board of Directors are regularly reviewing and updating the Governance applications, commits to apply the best principles of Governance, upholding the values of the Group's corporate social responsibility, and to place the public interest of the Group and shareholders over the private interest.

To demonstrate their commitment, the Board has signed an annual written declaration stating their commitment and application of all Corporate Governance Code principles and regulations.

The Board, its Committees, and Senior Executive Management reviews and updates the Board's and its Committees' policies and charters on an annual basis to ensure that they are up to date with relevant regulatory laws. The Group also reviews on regular basis the professional code of conduct that embodies the Groups values.

Violations and Penalties

With the joint efforts of the regulatory and supervisory authorities, no violations or penalties were imposed on Mekdam Holding Group during the 2021 fiscal year.

Board of Directors

Composition of the Board

The Board of Directors is described in the Articles of Association of the Group. As currently defined, the Board consists of seven (7) members all of whom were appointed during the Constituent General Assembly, for a period of five (5) years as the first Board of Directors. Four (4) members of the Board of Directors are independent members in accordance with the provisions of the Corporate Governance Code. Most of the members are non-executive directors.

All members of the Group's Board of Directors have met the requirements for membership in accordance with all relevant regulatory authorities requirements and the Group's Articles of Association, and they have submitted a written declaration that they have not been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes against honesty, or any of the crimes stipulated in Article (40) of Law No. (8) of 2012 concerning the Qatar Financial Markets Authority, and Articles (334) and (335) of Commercial Companies Law No. (11) of 2015, as well as the its updated articles by Law No. (8) of 2021.

The existing Board Members have provided written acknowledgment stating that they are not undertaking any legally prohibited job position that should not be combined with the Board Membership. The current Board Members are highly experienced and qualified to have the sufficient knowledge of administrative matters, and the relevant experience to perform their responsibilities effectively.

Board Members

Board of Directors term for the first period from 7/7/2021 to 3/7/2026 for a period of five years.

Sheikh Mohamed Nawaf NBK Al Thani

Sheikh Mohamed bin Nawaf bin Nasser Al Thani has several years of successful experience in corporate management, and a strong network of relationships in the State of Qatar. He has proven experience in making strategic decisions and developing growth plans, and has professional wisdom and skill in planning, implementation and supervision. Sheikh Mohamed is currently a member of the Board of Directors at Al Faleh Educational Holding Q.P.S.C. and a Chairman of Qatar Endurance Racing Club. Sheikh Mohamed graduated from one of the prestigious business school, Britannia Royal Naval School (BRNC), in the United Kingdom.

Sheikh Jassem Nawaf NBK Al Thani

Sheikh Jassem graduated from Middlesex University, United Arab Emirates, and holds a bachelor's degree in Business Administration. Since his graduation, he held the position of Executive Vice President of Al Waab City. Over the years, Sheikh Jassem has injected new energy coupled with scientific knowledge and experience in organization management, and he has taken an active approach in developing the company's business by introducing modern methods of managing its business.

Mr. Hassan Matar S Al-Suwaidi

Mr. Hassan Al-Suwaidi provides more than 40 years of professional experience in several fields, as he held many prestigious positions, including Director of Public Relations and Director of Board Affairs and Government Relations at Doha Insurance Company, Member of the Board of Directors of Al-Sadd Sports Club, in addition to his previous position Commander of the Special Forces. He has attended several military and administrative training courses specialized in organizational methods and change strategies in the State of Qatar, the United Kingdom, and Germany. Mr. Al-Suwaidi is a graduate of Royal Military Academy Sandhurst in the United Kingdom and holds a Master's degree in Military Science.

Mr. Rajesh Menon

Mr. Rajesh Menon is an independent Board Member of Mekdam Holding Group Q.P.S.C. He is the Director of Baker Tilly and is responsible for developing and directing its strategies. Mr. Rajesh has extensive management experience spanning over 20+ years. He started his career early in KPMG Bahrain and Qatar as a business advisory partner, specialized in crisis management, debt and restructuring management. Mr. Rajesh holds a BA in Commerce and a Leadership Program from INSEAD in France and is a Certified Public Accountant (CPA).

Mr. Jassem Sultan J M Al Rumaihi

Mr. Jassem Al-Rumaihi served as a Board Member at the Gulf Warehousing Company Q.P.S.C, and has more than 40 years of experience in several fields of business administration where he held several high positions in various entities, including the Qatari Armed Forces. Mr. Jassem holds a Bachelor's degree in Marketing from Metro State University, in Denver Colorado, in addition to a Master's degree in Business Administration from Grambling State University, in Rustin, Louisiana, in the United States.

Mr. Narinder Singh

Mr. Narinder Singh has more than 15 years of experience and has an exceptional track record in business transformation, brand building, sales effectiveness and improving corporate profitability. He has spent most of his professional career working in Finland. Mr. Narinder holds a Master's degree in Sound Technology from the Danish University in Copenhagen.

Mr. Ehab Naser

Mr. Ehab Naser has been the CEO of Mekdam Holding Group since its establishment. Mr. Ehab alongside the Executive Management members, and constant cooperation with Sheikh Mohamed bin Nawaf, laid the foundation of the Group in accordance with the best international practices. He started his career with the Arab Bank Group in Jordan, in 2000, as Vice President for Financial Affairs. By 2009, he held the position of Deputy Chief Executive Officer of Global Strategy and Governance in Switzerland.

Currently, Mr. Ehab is responsible for the corporate strategic leadership of Mekdam Holding Group where he handles the strategic management and business growth of the subsidiaries and its budgeting.

Mr. Ehab holds a Bachelor's degree in Accounting from the University of Jordan in Jordan, and a Master of Business Administration (MBA) from Dominican University in the United States. He also holds the following professional qualifications from the United States of America: Certified Public Accountant (CPA), Certified Financial Manager (CFM), and Certified Management Accountant (CMA).

Mr. Ehab is a permanent member of the international forum of Honor Beta Gamma Sigma (ΒΓΣ), which recognizes the top graduates of business schools from the most prestigious international universities (AACSB International), based on his academic achievement in the study of business administration and his professional skills.

Board of Directors Positions

The following table provided details on the Board of Directors and positions held by its members during the term of office from 7/7/2021 until 3/7/2026:

Name	Position	Membership Position
Sheikh Mohamed Nawaf NBK Al Thani	Chairman	Non-Executive
Sheikh Jassem Nawaf NBK Al Thani	Vice Chairman	Non-Executive
Mr. Hassan Matar Al-Suwaiddi	Board Member	Independent
Mr. Jassem Sultan Al-Rumaihi	Board Member	Independent
Mr. Rajesh Menon	Board Member	Independent
Mr. Narinder Singh	Board Member	Independent
Mr. Ehab Naser	Board Member and CEO	Executive

The Chairman of the Board of Directors periodically informs the non-executive and independent Board Members, of the suggestions of the shareholders and observations on the performance of the Group, through periodic meetings and reports.

Board of Directors Terms of Reference, Duties and Responsibilities

The Board of Directors prepared its Charter, in which it defined the tasks, rights, duties and responsibilities of the Chairman and members in accordance with the provisions of the Corporate Governance Code and it was published on the Group's website.

The Board of Directors' Charter outlined the Board's main tasks and functions, which include at least the following.

- 1- Approving the strategic plan and the main objectives of the Group and supervising their implementation, including:
 - a. Setting a comprehensive strategy for the Group and key business plans and risk management policy, reviewing and directing them
 - b. Determining the most appropriate capital structure of the Group, its strategies and financial objectives and approving its annual budgets.
 - c. Supervising the main capital expenses of the company and acquisition/ disposal of assets.
 - d. Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Group.

- e. Reviewing and approving the organizational structures of the Group on periodic basis to ensure distinct distribution for the functions, tasks and responsibilities of the Group especially the internal control units.
 - f. Approving the procedures manual needed to implement the strategy and objectives of the Group, prepared by Senior Executive Management. The manual shall include determining ways and means of the quick contact with QFMA and other regulatory authorities as well as all parties concerned with governance, including the appointment of a communication officer.
 - g. Approving the annual plan of training and education in the Group that includes programs introducing the Group, its activities and Governance, according to the Corporate Governance Code.
- 2- Setting the rules and procedures for Internal Control and supervising them, including:
 - a. Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Group's assets and facilities and the mismanagement resulting from transactions with Related Parties.
 - b. Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider information. Such system shall include procedures followed when dealing in securities by insiders, and identify prohibited periods of their trading in securities of the Group or any company of its group, as well as preparing and updating a list of insiders to provide a copy to the Board and Qatar Stock Exchange upon adoption or update.
 - c. Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.
 - d. Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Group may encounter and disclosing them transparently.
 - e. Reviewing annually the effectiveness of the Group's Internal Control procedures.
 - 3- Drafting a Governance code for the Group that does not contradict the provisions of the Corporate Governance Code, supervising and monitoring in general the effectiveness of Governance code and amending it whenever necessary.
 - 4- Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly.
 - 5- Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following:
 - a. Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the of Commercial Companies Law No. (11) of 2015, as well as the its updated articles by Law No. (8) of 2021 and their respective contracts.
 - b. Mechanisms for complaints or disputes that might arise between the Company and the Stakeholders.
 - c. Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality their Information.
 - d. Develop a code of conduct for the Group's executives and employees compatible with the proper professional and ethical standards and regulate their relationship with the Stakeholders and mechanisms for supervising Corporate Governance Code and ensuring compliance there with.
 - e. The Group's social contributions.

- 6- Setting policies and procedures to ensure the Group's compliance with the laws and regulations and the Group's obligation to disclose material Information to shareholders, creditors and other Stakeholders.
- 7- Inviting all shareholders to attend the General Assembly Meeting in the way charted by Commercial Companies Law No. (11) of 2015, as well as its updated articles by Law No. (8) of 2021. The invitation and the announcement shall include a thorough summary of the General Assembly agenda, including the items to be discussed and approving the Governance report.
- 8- Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management.
- 9- Developing a mechanism for dealing and cooperation with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of the financial markets so that they can provide their services for all shareholders in a quick manner with integrity and transparency.
- 10- Developing awareness programs necessary for spreading the culture of self- control and risk management of the Group.
- 11- Setting a clear and written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and the Group's employees in accordance with the principles of the Corporate Governance Code without any discrimination based on race, gender or religion. Such policy shall be submitted yearly to the General Assembly for approval.
- 12- Developing a clear policy for contracting with the Related Parties and presenting it to the General Assembly for approval.
- 13- Setting foundations and standards for evaluating the performance of the Board and the Senior Executive Management.

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Board of Directors' Meetings Attendance

The Board of Directors have convened six (6) meetings during the year, and three (3) months have not elapsed between meetings. Meetings were attended by majority of the members, and no Board member was absent from three consecutive meetings without an excuse acceptable by the Board.

Board meeting dates and attendance for the year 2021							
Member Name	Constituent General Assembly	First	Second	Third	Fourth	Fifth	Sixth
	July 4	July 4	Aug 12	Sept 14	Oct 21	Nov 27	Dec 23
Sheikh Mohamed Nawaf NBK Al Thani	Present	Present	Present	Present	Present	Present	Present
Sheikh Jassem Nawaf NBK Al Thani	Present	Present	Present	Present	Present	Present	Present
Mr.Hassan Matar Al-Suwaidi	Present	Present	Present	Present	Present	Present	Present
Mr. Jassem Sultan Al-Rumaihi	Present	Present	Present	Present	Present	Present	Present
Mr.Rajesh Menon	Present	Present	Present	Present	Present	Present	Present
Mr.Narinder Singh	Present	Present	Present	Present	Present	Present	Present
Mr. Ehab Naser	Present	Present	Present	Present	Present	Present	Present
Attendance	100%	100%	100%	100%	100%	100%	100%

All Board meetings were called and chaired by the Chairman, and the invitations accompanied with the agenda were sent to each Board member at least one week prior to the meeting date. The Board's decisions were passed by the majority of the votes of attendants and representatives. Minutes of meetings were prepared for each Board meeting, including names of the attending and absent members. The Chairman and Secretary have signed the minutes of meetings.

Board Responsibilities

The Board represents all shareholders and has confirmed that it is exercising due diligence and care in managing the Group in an effective and productive manner to achieve the interest of the Group, partners, shareholders, as well as to maintain the public interest and develop investment in Qatar and community development.

The responsibilities of the Directors include but are not limited to:

- 1- The Chairman of the Board agreed to approve the authority matrix, delegating specific responsibilities to the Group's CEO where he signed a general mandate specifying the powers and tasks assigned to the Group CEO, indicating the limits of that authority.
- 2- The responsibilities of the Board of Directors are clearly defined in the Articles of Association.
- 3- Board members have approved an authority matrix that defines the responsibilities of Senior Executive Management and the persons involved in the Group.

- 4- The Group's articles of association included provisions to enter into loan agreements that spans more than three years, sell, or mortgage the Group's properties, or drop the Group's debts, and as such allows the Board of Directors to do so.
- 5- The Board has developed procedures for orienting the new Board members of the Group's business, and in particular to the financial and legal aspects.
- 6- The Board conducted training workshops for all Board members in 2021.
- 7- The Board has confirmed that the Group has provided sufficient information on its affairs to all Board members, generally, and in particular, to the non-executive Board members, to enable them to carry out their duties and functions efficiently.

Duties of the Chairman

The Chairman is the President of the Group and represents it before others and the judiciary, and is primarily responsible for ensuring proper management of the Group in an effective and productive manner and is working to achieve the interest of the Group, partners, shareholders, and stakeholders. The Chairman is responsible for implementing the Board's decisions and adhering to its recommendations, and may also delegate some of its powers to Board members or Senior Executive Management, and the authorization must be specific in time and subject. The Vice-Chairman shall replace the Chairman during his/her absence. The Chairman is not a member of any of the Board committees.

The Board of Directors has prepared a charter through which the functions, rights, duties and responsibilities of the Chairman and members are determined in accordance with the provisions of the Corporate Governance Code and is published on the Group's website.

In addition to what is stated in the Board Charter, the Chairman is responsible for the following duties and functions:

- 1- Ensure that the Board discusses all main issues effectively and in a timely manner.
- 2- Approve the Board meeting agenda, taking into consideration any matters proposed by any Board member.
- 3- Encourage all Board members to collectively and effectively participate in dealing with the Board affairs and to ensure that the Board is working to achieve the best interest of the Group.
- 4- Make all data, information, documents, and records available to Board members and its Committees.
- 5- Create effective communication channels with shareholders and working on communicating their opinions to the Board.
- 6- Allow effective participation of the non-executive Board members, in particular, and promote constructive relations between executive and non-executive Board members.

- 7- Keep Board members constantly informed about the implementation of the Corporate Governance Code provisions. The Chairman may authorize the Group's audit and Risk Committee to carry-out this duty.

Obligations of Board Members

- i. The Group's Articles of Association clearly defined the roles of the Board of Directors. When interpreting these functions, Board members follow a clear direction in the way the Board exercises its key functions, the details of the authorization or other functions of the management.
- ii. Board members generally comply with the requirements of the Board meeting and its Committees.
- iii. The Executive Management submitted a quarterly report to the Board on achieving the goals and objectives during 2021.
- iv. Board members used their diverse and specialized skills to manage the Group by providing opinions and guidance that played an important role in critical decisions and final foundations during the year.
- v. Board members actively participated in the Group's Constituent General Assembly in 2021.
- vi. Board members adopted a disclosure and communication policy through which the Chairman was accredited as the Group's Spokesperson. Before issuing any statement or disclosure to the public about the Group, all Board members must clarify the matter with the Chairman of the Board of Directors.
- vii. During 2021, the Group committed to disclosing financial and business relationships in a timely manner, including lawsuits that may have financial implications for the Group's shares.
- viii. All Board members have signed a written declaration to disclose all their financial and commercial relationships, and disputes, including judicial, which may adversely affect the implementation of the tasks and functions assigned to them.

Board Committees Emanating from the Board of Directors

First: Audit and Risk Committee

Committee Members

The Audit and Risk Committee was formed with a term of office from 4/7/2021 to 3/7/2026, pursuant to the decision issued by the Board of Directors on 4/7/2021, as follows:

Name	Position
Mr. Rajesh Menon	Chairman of the Committee - Independent and Non-Executive
Mr. Jassem Sultan Al-Rumaihi	Member - Independent and Non-Executive
Mr. Hassan Matar Al-Suwaidi	Member - Independent and Non-Executive

Committee Formation

The Committee was formed as part of a decision made by the Board members. The Committee is chaired by an independent Board Member and membership of at least two. The Board takes into account that the majority of the members of this Committee shall be Independent Board members. The Committee's formation was made in accordance with Article (18.3) of the Corporate Governance Code. None of the Committee members had audited the Group's accounts, directly or indirectly, in the two years preceding their nomination for membership in the Committee, and they have the necessary experience to exercise the Committee's duties.

The Terms of Reference, Duties, and Responsibilities of the Committee

The Audit and Risk Committee has prepared a charter in which the functions, rights and duties of members are determined in accordance with the provisions of the Corporate Governance Code and approved by the Board of Directors and published on the Group's website.

The Committee's Charter contains key tasks and functions, which include at least:

1. Preparing and presenting to the Board a proposed internal control system for the Group's upon constitution and carrying out periodic audits whenever necessary.
2. Setting the procedures of contracting and nominating External Auditors and ensuring their independence while performing their work.
3. Overseeing the Group's Internal Controls, following the External Auditor's work, coordinating between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements; verifying that the External Auditor's report include an explicit mention if it had obtained all the necessary information and the Group's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not.
4. Overseeing and reviewing the accuracy and validity of the yearly, half-yearly and quarterly financial statements.
5. Considering, reviewing and following up the External Auditor's reports and notes on the Group financial statements.
6. Ensuring the accuracy and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly.
7. Making coordination among the Board, Senior Executive Management, and the Internal Controls of the Group.
8. Reviewing the systems of financial and Internal Control and risk management.
9. Conducting investigations in financial control matters requested by the Board.
10. Coordinating between the Internal Audit Department in the Group and the External Auditor.
11. Reviewing the financial and accounting policies and procedures of the Group and expressing an opinion and recommendation to the Board in this regard.
12. Reviewing the Group's dealings with the Related Parties and making sure whether such dealings are subject to and comply with the relevant controls.
13. Developing and reviewing regularly the Group's policies on risk management, taking into account the Group's business, market changes, investment trends and expansion plans of the Group.
14. Supervising the training programs on risk management prepared by the Group, and their nominations.

15. Preparing and submitting periodic reports about risks and their management in the Group to the Board - at a time determined by the Board - including its recommendations and preparing reports of certain risks at the request of the Board or the Chairman.
16. Implementing the assignments of the Board regarding the Group's Internal Controls.
17. Conducting a discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates and submitting the same to the Board to be included in the annual report.

Committee Members' Meetings in 2021

The Board of Directors formed the Audit and Risk Committee, and the approval of its listing was confirmed, during its first meeting held on July 2021. Since the formation of the Committee, (6) six meetings have been held. It was ensured that the Chairman of the Committee did not chair any of the Board's other Committees, and the Chairman of the Committee and members attended all meetings. Minutes of meeting have been kept for each of the Committee meeting, and the Committee has prepared an annual report of its work during the year.

Committee meeting dates and attendance for 2021						
Board members	First July 4	Second Aug 12	Third Sept 14	Fourth Oct 21	Fifth Nov 27	Sixth Dec 23
Mr. Rajesh Menon	Present	Present	Present	Present	Present	Present
Mr. Hassan Matar Al-Suwaidi	Present	Present	Present	Present	Present	Present
Mr. Jassem Sultan Al-Rumaihi	Present	Present	Present	Present	Present	Present
Attendance	100%	100%	100%	100%	100%	100%

The most important decisions and recommendations

- i. Approval of interim financial statements for 2021 (second and third quarter).
- ii. Approval of annual financial statements.
- iii. Evaluate offers from External Auditors.
- iv. Approve the appointment of the External Auditor and ensure its independence.
- v. Approve the annual internal audit report.
- vi. Conduct a detailed review of the Group's transactions with related parties and the extent to which they are subject and adhere to the controls related to those transactions in every meeting.
- vii. Approve the annual internal audit report on the Group's commitment to the general risk management framework.
- viii. Review the Group's commitment to implementing policies, procedures, controls, instructions, guidelines, and laws issued by the Qatar Financial Markets Authority.
- ix. Offer recommendations to Senior Executive Management:
 - Seek to develop and update the policies and procedures manuals.
 - Update and develop the scope of delegations of authority in the Group.
 - Develop and update of modern technical services.
 - Segregate the duties and identify the authority of each employee.
 - Close open notes in the internal audit follow-up reports.

The Audit and Risk Committee did not issue any recommendations conflicting with the decisions of the Board of Directors, and the Board has not rejected any recommendations made by the Committee.

Second: Nominations and Remuneration Committee

Committee Members

The Nominations and Remuneration Committee was formed with a term of office from 4/7/2021 to 3/7/2026, pursuant to the decision issued by the Board of Directors on 4/7/2021, as follows:

Name	Position
Mr. Jassem Sultan Al-Rumaihi	Chairman of the Committee - Independent and Non-Executive
Sheikh Jassem Nawaf Al Thani	Member - Non-Independent and Non-Executive
Mr. Hassan Matar Al-Suwaidi	Member - Independent and Non-Executive

Committee formation

The Committee was formed by a decision of the Board members. When selecting the Committee members, the Board took into account the experience necessary for exercising the committee's function. The formation of the Committee was made in accordance with the Corporate Governance Code article (18.1 and 18.2).

The Terms of Reference, Duties, and Responsibilities of the Committee

The Nominations and Remuneration Committee has prepared a charter in which its tasks, rights, and duties was made in accordance with the provisions of the Corporate Governance Code and has been approved by the Board of Directors and published on the Group's website.

The Committee's Charter contains the key tasks and functions, which include at least:

1. Developing general principles and criteria used by the General Assembly members to elect the fittest candidates for Board membership.
2. Nominating whom it deems fit for the Board membership when any seat is vacant.
3. Developing draft of succession plan for managing the Group to ensure providing a suitable alternative to quickly fill the vacant jobs in the Group.
4. Nominating whom it deems fit to fill any job of the Senior Executive Management.
5. Receiving candidacy requests for the Board membership.
6. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.
7. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.
8. Setting the Group's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Group's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.
9. Setting the foundations of granting allowances and incentives in the Group, including issuance of incentive shares for the employees.

Committee Members' Meetings in 2021

The Nomination and Remunerations Committee was formed by the Board of Directors once the approval of its listing was confirmed, during the first meeting on July 2021. Since the formation of the Committee, three (3) meetings have been held. It was ensured that the Chairman of the Committee did not chair any of the other Board's Committees, and the Chairman of the Committee and members attended all the meetings. Minutes of meeting have been kept for each of the Committee meeting, and the Committee has prepared an annual report on its work during the year.

Committee meeting dates and attendance for 2021			
Board members	Present	Present	Present
Mr. Jassem Sultan Al-Rumaihi	Present	Present	Present
Sheikh Jassem Nawaf NBK Al Thani	Present	Present	Present
Mr. Hassan Matar Al-Suwaidi	Present	Present	Present
Attendance	100%	100%	100%

The most important decisions and recommendations

1. The Board of Directors adopted the recommendations of the Nomination and Remuneration Committee on the remuneration of Board members, Committees and Senior Executive Management.
2. Submit an annual report to the Board that includes an analysis of the Board's performance.
3. Policy development for succession planning.
4. The introduction of the Grievances Committee.
5. Assess the skills of Board members periodically.
6. Review the Group's organizational structure.
7. Verify the independence of Independent Board members.

The Nominations and Remuneration Committee did not issue any recommendations conflicting with the decisions of the Board of Directors, and the Board has not rejected any recommendations made by the Committee.

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Third: Investment Committee

Committee members

The Investment Committee was formed with a term of office from 4/7/2021 to 3/7/2026, pursuant to the decision made by the Board of Directors on 4/7/2021, as follows:

Name	Position
Mr. Narinder Singh	Chairman of the Committee - Independent and Non-Executive
Sheikh Jassem Nawaf Al Thani	Member - Non-Independent and Non-Executive
Mr. Ehab Naser	Member – Non-Independent and Executive

Formation of the Committee

The Committee was formed by decision of the Board of Directors, and the selection of members is guided by the experience required to carry out the Committee's mandate.

The Terms of Reference, Duties, and Responsibilities of the Committee

The Investment Committee has prepared a charter through which its tasks, rights, and duties of members was assigned, and has been approved by the Board of Directors and published on the Group's website.

The Committees Charter contains key tasks and functions, which include at least:

- i. Review the Group's overall investment strategy, including assets, liabilities, risk management guidelines, policies and procedures.
- ii. Review the quality, performance, and risk characteristics of the Group's investment portfolios.
- iii. Supervise the Group's domestic and overseas investments and periodic submission of the performance reports on the same to the Board.
- iv. Ensure the integrity of investment process, set relevant controls for protecting Group's interests and fully supervise the stages of merger/acquisition related to any investment opportunity.
- v. Provide recommendations to the Board regarding the exit from or liquidation of a current investment.
- vi. Review the integration and synergy performance reports for subsidiaries.
- vii. Review reports, economic feasibility studies, investment risk assessments, and endorsing or rejecting them prior to presenting the findings to the Board for approval.
- viii. Review and approve the unbudgeted operating and capital expenses in accordance with the Committee's authority.
- ix. Review and monitor compliance with policies, guidelines and limits established for the Group's consolidated investment portfolio and other reporting as appropriate or necessary.
- x. Review market trends and implications for portfolio and investment risk management and evaluate significant new investment asset classes and strategies.
- xi. Monitor the implementation of the investment annual plan and estimated budgets through the Chairman and CEO and the presentation of relevant reports to the Board.

- xii. Discuss, in coordination with the Chairman and CEO, the financial obligations which have a predominant impact on the Group, such as letters of credit, bank guarantees, discounted notes receivables, and unpaid amounts in corporate investments.
- xiii. Periodically review the key Investment function initiatives and accomplishments.
- xiv. Coordinate with the Audit and Risk Committee to ensure investment risk is consistent with overall enterprise risk tolerance.
- xv. Review and approve the sale of assets other than real estate, based on the authority matrix.
- xvi. Review and evaluate the performance of the Group's investments compared to the feasibility study and presenting recommendations to the Board.
- xvii. Carry out any other activities assigned to the Committee by the Group's Board of Directors.

Committee members' meetings in 2021

The Investment Committee was formed by a decision of the Board members once the approval of its listing was confirmed, during the first meeting in July 2021. Since the formation of the Committee, three (3) meetings have been held. Minutes of meeting have been kept for each of the Committee meetings, and the Committee has prepared an annual report on their work during the year.

Committee meeting dates and attendance for 2021			
Board members	First August 12	Second September 14	Third December 23
Mr. Narinder Singh	Present	Present	Present
Sheikh Jassem Nawaf Al Thani	Present	Present	Present
Mr. Ehab Naser	Present	Present	Present
Attendance	100%	100%	100%

The most important decisions and recommendations

- i. Review the investment strategy, and pass a recommendation to the Board to adopt it.
- ii. Follow-up on the implementation of the investment recommendations issued by the Board of Directors.
- iii. Assess existing investment opportunities and make investment decisions regarding them.

Assessment of the Board of Directors Performance

According to the Board of Directors' and Committee members' annual self-assessment, it has been concluded that the performance was outstanding in 2021, with all members committed to attending meetings and those of its affiliated Committees. Absence from meetings was not allowed unless pursuant to a justified excuse accepted by the Board. On another hand, the Audit and Risk Committee has overseen the performance of the internal audit team of the Group, to ensure the monitoring of risks, weaknesses, and procedures necessary for addressing such issues. The Board assessed the performance of Senior Executive Management, and their performance was outstanding during the year 2021.

Board Secretary

Dr. Hussain bin Ali Al-Dosari has been appointed as Secretary of the Board of Directors and Board Committees. Dr. Hussain Bin Ali Al-Dosari is a qualified legal advisor with more than 40 years of experience in legal practice, legal advice and commercial disputes. He is a lawyer registered with the Qatari Ministry of Justice, and before the Qatari Court of Cassation. Dr. Al-Dosari holds a PhD degree in International Law and International Relations from the University of Algiers.

The Group's Board Secretary is responsible for:

1. Recording the minutes of the Board meetings setting out names of the attending and absent members and the meeting discussions and recording members' objections to any decision issued by the Board.
2. Recording the Board decisions in the register prepared for this regard as per issuance date.
3. Recording the meetings held by the Board in a serial numbered register prepared for this regard and arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the member's objections, if any.
4. Safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and writings in paper and electronic records.
5. Sending to the Board members and participants - if any – the meeting invitations accompanied with the agenda at least one week prior to the meeting specified date and receiving members' requests to add an item or more to the agenda with submission date.
6. Making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Group including shareholders, management, and employees.
7. Enabling the Chairman and the members to have timely access to all information, documents, and data pertaining to the Group.
8. Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of Corporate Governance Code.

MEKDAM
HOLDING GROUP

Senior Executive Management

The Board authorized Senior Executive Management headed by the CEO to manage the day-to-day operations of the Group.

Mr. Ehab Naser - CEO and Board Member

Mr. Ehab Naser has been the CEO of Mekdam Holding Group since its establishment. Mr. Ehab alongside the Executive Management members, in constant cooperation with Sheikh Mohamed bin Nawaf, laid the foundation of the company in accordance with the best international practices. He started his career with the Arab Bank Group in Jordan, in 2000, as Vice President for Financial Affairs. By 2009, he held the position of Deputy Chief Executive Officer of Global Strategy and Governance in Switzerland.

Currently, Mr. Ehab is responsible for the corporate strategic leadership of Mekdam Holding Group where he handles the strategic management and business growth of the subsidiaries and budgeting for them.

Mr. Ehab holds a bachelor's degree in Accounting from the University of Jordan in Jordan, and a Master of Business Administration (MBA) from Dominican University in the United States. He also holds the following professional qualifications from the United States of America: Certified Public Accountant (CPA), Certified Financial Manager (CFM), and Certified Management Accountant (CMA).

Mr. Ehab is a permanent member of the international forum of Honor Beta Gamma Sigma (ΒΓΣ), which recognizes the top graduates of business schools from the most prestigious international universities (AACSB International), based on his academic achievement in the study of business administration and his professional skills.

Mr. Mohammed Mudassar Ali - CFO

Mr. Mohamed Mudassir Ali has been working for Mekdam Holding Group since 2019. He has 21 years of experience (including 11 years in Qatar) in business development, project financing, commercial management, and financial control. He started his career at Siemens as a commercial officer, in 1999, and has extensive experience through holding management positions in Pakistan and Qatar. He also obtained a Bachelor of Commerce from Punjab University, Pakistan and an ACMA certification from the Institute of Cost and Management Accountants of Pakistan.

Mr. Mohamad Baraa Sami A Sabha - Group General Manager

Mr. Mohamad has 13 years of focused experience developing performance systems for companies in the Middle East region. He undertakes the implementation of the corporate strategy of the Mekdam Holding Group and is responsible for managing the operations and business growth of the subsidiary companies according to their allocated budgets. His previous career includes managing business units and special projects in some of the largest technology companies in Qatar where he has managed and implemented a range of large and strategic projects in the country. He holds a degree in computer engineering from the University of Applied Sciences in Jordan

Ownership of Board members and Executive Management

The following table details the number of shares of the Group owned by Board members and Senior Executive Management during 2021:

Name	Position	Membership	Ownership %
Sheikh Mohamed Nawaf NBK Al Thani	Chairman	Personal	0.167%
Sheikh Jassem Nawaf NBK Al Thani	Vice Chairman	Personal	0.167%
Mr. Ehab Naser	Board Member and CEO	Personal	4.970%

The Group has developed a clear policy requiring Board members, Senior Executive Management, and all insiders, their spouses, and their minor children to disclose all trading operations they conduct on the Group's shares and other securities when required.

During 2021, there was no violation of the Group's securities trading policy by Board members or Senior Executive Management, and the Board of Directors followed the provisions and directives of the Qatar Financial Markets Authority for securities trading periods.

Disclosure of Remuneration

In accordance with the provisions of article 4, paragraph 3 of the Corporate Governance Code, the remunerations granted to Board members and Senior Executive Management complied with the general criteria for granting remuneration.

General Criteria for Remuneration

- Its alignment with the Group's strategic plans, its long-term and short-term objectives, its activities, the industry in which it operates, the necessary skill for its management, and the Group's size, nature, and degree of risk.
- Enticing Board members, Committees, and Senior Executive Management to ensure the success of the Group and long-term development.
- Determining remuneration pursuant to the occupational grade, tasks and responsibilities assigned to the employee, performance level, as well as the objectives set by the Board of Directors to be achieved during the fiscal year.
- Considering the practices adopted by other companies in terms of determining remuneration, while avoiding an unreasonable increase in remuneration and compensation.
- Attracting professional competences, preserving and motivating them, while making sure that such step is not exaggerated.

The Board recommended that the following amounts be presented to the General Assembly for ratification, as remuneration to the Board members and Senior Executive Management for the year 2021, as follows:

	QAR
Board members	630,000
Senior Executive Management	250,000

Internal Control

The Board of Directors of the Group acknowledges that the accounting records were properly prepared, and that the internal control system and procedures are in place and effectively implemented without material observations, and that there is little doubt as the Group's ability to continue its activities. The Audit and Risk Committee oversees the work of the Internal Audit, Risks, and External Audit, which regularly reviews the adequacy and effectiveness of the internal control system and procedures to provide a continuous assessment of the system and its effectiveness. One of the Board of Directors' objectives is to obtain reasonable assurance about the soundness of the design and effectiveness of the Group's internal control system. In this regard, during the fiscal year 2021, the Audit and Risks Committee held meetings and discussed several topics related to the Committee's competencies, such as reviewing financial statements and investments, as well as reviewing the Group's strategic, regulatory, human resources, procurement, IT systems, among other issues relevant to the Group's businesses in the presence of Senior Executive Management and Internal Audit.

The Group adopted COSO framework based on the Audit and Risk Committee's approval as the basis for managing the Group's internal controls. The COSO model introduces reasonable assurance of achieving objectives in the following categories.

- a. Effectiveness and efficiency of operations.
- b. Reliability of financial reporting.
- c. Compliance with the applicable laws and regulations.

Internal Audit Department

The Group's Internal Audit unit provides independent and objective assurance and advisory services to add value, improve operations and achieve the Group's objectives. The Internal Audit unit supports the Group to achieve its objectives by adopting methods to improve the risk management and internal control. The Internal Audit unit conducted periodical audits in accordance with the annual audit plan, which is approved by the Audit and Risk Committee with the aim of giving the necessary assurances about the effectiveness and efficiency of internal control and risk management in the Group, with emphasis on high-risk activities and functions. The Internal Audit unit submits reports every three months to the Audit and Risk Committee of internal control achievements.

The annual internal audit plan included, for example:

- a. Review the accuracy of published financial statements.
- b. The Group's implementation of regulatory guidelines.
- c. Review procurement policies and procedures, strategic affairs, human resources, information technology, business units as well as the financial sector.
- d. Review the Group's risk management controls and solutions for any gaps observed.

External Auditors

Based on the results of the Constituent Assembly meeting held on 4 July 2021, Russell Bedford was approved as one of the candidates on the recommendation of the Audit and Risk Committee to examine, review and audit financial statements, and their fees were determined. The Group did not hire any external auditor's employees during the year 2020 and 2021

The Group emphasizes that the financial statements were prepared during the fiscal year 2021 in accordance with international accounting standards for the financial report. During the fiscal year, the external auditor did not issue a management report to report gaps or failures in internal control.

The external auditor provided all disclosure notes in the financial statements, including acknowledging his and the Group's commitment to applying the best international auditing and reporting systems and their commitment to International Financial Reporting Standards and Auditing Standards (IFRS/IAS) and (ISA) requirements, and the Group's ability to continue its practical activities.

Disclosure and Transparency

Throughout 2021, Mekdam Holding Group complied with the disclosure requirements set out in the rules and regulations of QMA and QSE. The Group complies with all disclosure requirements under Article 25 of the Qatar Financial Markets Authority's Corporate Governance Code.

The Group is keen to disclose all financial results, presentations, official announcements, and press releases of interest on the Group's website on the day of publication.

In addition to the above as a general rule, the Group does not comment on rumors, either positively or negatively. If undisclosed information is leaked to the public and has the potential to affect trading activity on the Group's shares, or if Qatar Financial Markets Authority or Qatar Stock Exchange requests that the Group issue a statement in response to a market rumor that causes unusual activity in the shares, the authorized official spokespersons will investigate the issue and determine whether a notice/press release should be issued to disclose the relevant material information. There were no rumors circulating during the financial year ending on December 31, 2021 that had a material impact on the Group's financial position or trading prices.

Transparency and Upholding the Interest of the Group

The Group has developed regulations and controls to ensure that, when considering the transaction, no relevant party attends the Board meeting or the bidding Committee during the discussion of the transaction or relationship. The Group will always strictly comply with the requirements that the "related party" does not attend the meeting, when the Board discusses such information.

During the year 2021, the group did not record any violation of the Group's directives regarding the trading policy by Board members and Senior Executive Management, and the Board of Directors also applied the provisions and directives of the Qatar Financial Markets Authority regarding the black-out periods.

Conflicts of Interest

During the year 2021, Mekdam Holding Group did not carry out transactions with related parties.

Legal Issues

Since its incorporation, the Group has not entered into any governmental, legal, or arbitration proceedings (including any pending legal proceedings) deciding or threatening to raise it, which the company is aware of, or was a part to it that would materially affect the company's activities or its financial position or results of operations.

At the end of 2021, the Group has a number of pending legal cases most of which relates to Debtors' payment default, while some related to contractual dispute. Based on the Group's responsibility to defend shareholders' rights based on the right granted to it under the Articles of Association. Mekdam Holding Group filed two lawsuits against others with a total value of QAR 2.5 million.

Shareholders' Equity

To strengthen the Group's relationship with its shareholders and all its investors and stakeholders, as well as to preserve their rights, and to reinforce the Group's belief in the importance of Corporate Governance, which aims to protect shareholder rights and enhance internal control by activating the role of the Board of Directors and its Committees and adhering to the principle of disclosure and transparency, the Group stresses its commitment to the Corporate Governance Code and other regulatory requirements in 2021. As a result, the Group discloses information of interest to the Group's shareholders, investors, and stakeholders, as well as the relevant regulations best practices adopted by the Group in the field of governance and transparency, are as follows:

Shareholders' Rights and Communication Mechanisms

In view of the Group's keenness and interest in caring for the rights of its shareholders and considering the applicable regulations, Mekdam has included shareholders' rights in the Articles of Association, which can be obtained from the Group's website.

Shareholders Rights to Access Information

Mekdam Holding Group publishes financial statements, announcements and material information on the Qatar Stock Exchange website, daily newspapers and annual report of its Board of Directors. Shareholders can communicate with the Group and respond to their inquiries through the investor relations email address "investors@mekdamholding.com".

Shareholders' Register

The Group receives an updated copy of the shareholders' register from Qatar Central Securities Depository Company on a monthly basis, which is kept in a dedicated register.

Shareholders' Equity Related to the General Assembly

Shareholders' rights are included in the Articles of Association and in several articles, including Article 49, 52 and 55.

Facilitating Effective Participation in the General Assembly

The Group selects the most appropriate locations and dates for holding the annual general assembly, utilizing modern technology to facilitate and ensure effective participation of the highest attendance of shareholders in the General Assembly meeting. In addition, the Group publishes the agenda of the General Assembly meeting in newspapers and announces the location and time of the meetings several days in advance. The General Assembly's results are also made public on the Group's website, the Qatar Stock Exchange, and the Qatar Central Securities Depository, and a copy of the meeting minutes are sent to Qatar Financial Markets Authority immediately upon approval.

Shareholders' Voting Rights

Shareholders' voting rights are not restricted, waived or denied by the Group's procedure of convening General Assembly. The Company employs the use of technology and other tools to ensure all shareholders freedom of voting.

Shareholders' Equity Related to the Election of Board Members

The Group discloses the details of the candidates for Board membership, including all information about all the candidates and their knowledge and experiences from their CVs, well before the date set for the General Assembly's convening. The members of the Board are elected by secret ballot and using the cumulative voting method by the General Assembly.

Shareholders' Rights Regarding Dividend Distribution

According to article (78) of the Articles of Association, the Group distributes its annual net profit as follows:

1. Ten percent (10%) of the net pre-tax profits shall be deducted every year and credited to the legal reserve fund. Such deduction shall remain compulsory until the total of the legal reserve fund amounts to fifty percent (50%) of the paid up share capital. Should this total thereafter drop below the amount for any reason whatsoever, the noted deduction shall be resumed until the amount required for the legal reserve is reached. The legal reserve may not be distributed to the Shareholders, but the exceeding amount may be added to the paid up share capital and distributed to the Shareholders by five percent (5%) during the years where the Company does not make sufficient net profits to distribute such percentage.
2. A portion of the profits, specified by the General Assembly, shall be deducted to meet the obligations imposed upon the Company by virtue of the labour law.
3. The General Assembly may, upon the proposal of the Board of Directors, annually decide to deduct a portion of the net profits for an optional reserve account which shall be used in the manner specified by the General Assembly.

4. The necessary amount for the distribution of the first Share of profits (5%) (at least) to the Shareholders, shall be deducted from the paid amount of the Shares' value, provided that if the profits of one year do not allow the distribution of this profit, no claim can be made for it from the profits of the following years.
5. The rest of the remaining net profits (not more than 5%) after deduction of the depreciation, the reserves and the distributed profit according to the previous article, shall be dedicated to rewarding the Members.
6. The remainder of the profits shall then be distributed to the Shareholders as an additional Share of profit; it can also be retained for the following year upon suggestion from the Board, or it can be dedicated to create an additional reserve or a contingent consumption reserve.
7. It is permissible, by virtue of a resolution of the General Assembly based on the recommendation of the Board of Directors, to distribute interim dividends to the shareholders who own the shares of the company on the due date, provided that the decision shall determine the due date, in accordance with the regulations and controls in force with the QFMA and the Qatar Stock Exchange. This is if it becomes clear to the Board of Directors that such distribution is justified.

Shareholders' Equity Related to Major Transactions

The Group's Articles of Association includes a specific mechanism for the protection of shareholders' rights in general and minority shareholders, in particular, in the event the Group conducts a major transactions that may harm the interests or prejudice the ownership of the Group's capital. The Group did not engage in any major transactions in the fiscal year ended December 31, 2021.

Name	Nationality	Number of shares	Ratio
Sheikh Mohamed Nawaf NBK Al Thani *	Qatari	40,397,598	80.8%
Mr. Ehab Naser *	Turkish	2,500,000	5.0%
Other Shareholders		7,102,402	14.2%
Total		50,000,000	100.0%

* Direct and indirect ownership through minor children

Stakeholders' Rights

Mekdam Holding Group respects stakeholders, and commits to maintaining equal access right to Group's information by Stakeholders 'upon proof of relevance and right'. The Group has also established, in writing, a mechanism that defines procedures of the Stakeholders' appeals against the decisions and actions of the Group's officials and Senior Executive Management, and other procedures to receive and consider their complaints, proposals and notifications regarding all aspects affecting the Group's interests and funds. The mechanism also states the confidentiality of content of such complaint, proposal or notification, and shall protect the applicant, and deadlines to decide on appeals and response to complaints and proposals.

Major Changes

In line with best international practices in the field of governance, Mekdam Holding Group would like to share with its shareholders the most significant changes during the year 2021:

Date	Event
March 28, 2021	Increase the Group's capital from QAR 10 million to QAR 50 million
July 30, 2021	The final approval of the transformation into a Qatari Public Shareholding Company was approved by the Ministry of Commerce and Industry pursuant to Ministerial Resolution (45) for the year 2021
July 4, 2021	Holding the constituent General Assembly and approving the transformation of the Group into a Qatari Public Shareholding Company
July 4, 2021	The formation of the Constituent Board of Directors for a period of 5 years.
July 4, 2021	The formation of three Committees by the Board of Directors.
July 8, 2021	Approval of the Group's listing on the Venture Market of the Qatar Stock Exchange
August 2, 2021	Listing the Group on the Qatar Stock Exchange.
As of December 31, 2021	Increasing the number of shareholders to approximately 270. In addition, the founders sold approximately 13.6 percent of the Group's capital through market listings.

MEKDAM
 HOLDING GROUP

Social Responsibility

Mekdam Holding Group believes in the importance of social responsibility in achieving sustainable development, as it considers itself a part of the society. Based on the firm foundations and the absolute belief in the social responsibility of the companies operating in Qatar, the Company developed a social program aimed at promoting added social values in 2020. The first social initiative was to contribute to sponsoring the endurance championships for 2020/2021 sports season, foremost of which is the Race for the Sword of His Highness the Emir of the State of Qatar (may Allah protect and preserve him), by presenting some in-kind prizes with a total value of QAR 310,700 to the Qatar Equestrian and Modern Pentathlon Federation. This sponsorship emerged from the absolute belief of the Company in the importance of preserving the ancestral heritage that the Company adheres to and seeks to promote it over generations as one of the constants of the original Arab values and culture.



14 - Financial statements


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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 addressed in the context of our audit of the 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
<p>Revenue recognition and impairment of financial and contract assets - refer to notes (3/f), (3/o), 10, 17, 24 of the combined financial statements</p> <p>We focus on these areas because:</p> <ul style="list-style-type: none"> - The group generates revenue of 284,264,816 (2020: QR. 146,334,982) from the diversified revenue streams mainly from: <ul style="list-style-type: none"> a) Technology services b) Technical services. c) Centralized Alarm Monitoring System services. 	<p>Our audit procedure in these areas included among others:</p> <ul style="list-style-type: none"> - 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
<p>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)</p> <p>We focus on these areas because:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<p>Our audit procedure in these areas included among others (Continued):</p> <ul style="list-style-type: none"> 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 remaining sections of the annual 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



Hani Mukhaimer
License No. (275)
QFMA License No. (1202013)



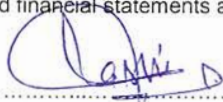
Doha – Qatar
January 27, 2022

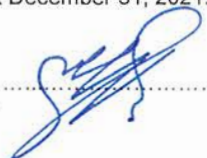
MEKDAM HOLDING GROUP – Q.P.S.C. DOHA – STATE OF QATAR

COMBINED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2021


		December 31,	
	Notes	2021	2020
		QAR	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
Group CFO


Ehab Naser
Group CEO

The company 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



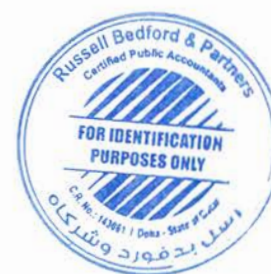
The accounting policies and notes as set out in pages 05 to 24 form an integral part of these combined financial statements.

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.



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

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.

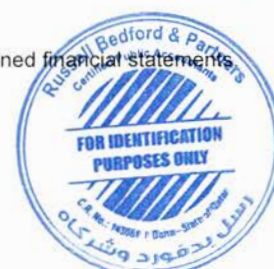


MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

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

		Year ended December 31,	
	Notes	2021	2020
		QAR	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.



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

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 Minister 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 50% Mekdam Technology 50% Mekdam Technical Services
Mekdam Integrated Trading and Contracting – W.L.L.	159620	2021	Trade in machinery and light equipment	<ul style="list-style-type: none"> 51% Mekdam Technology 49% Mekdam Technical Services
Mekdam Steel Services and contracting – W.L.L.	160930	2021	<ul style="list-style-type: none"> Metal fixture works Electrical and mechanical contracting Installation of wooden doors and door frames 	<ul style="list-style-type: none"> 51% Mekdam Technology 49% Mekdam Technical Services

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

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 <i>"Interest Rate Benchmark Reform — Phase 2"</i>	January 01, 2021
Amendment to IFRS 16 <i>"Covid-19-Related Rent Concessions"</i>	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 <i>"Classification of Liabilities as Current or Non-Current"</i>	January 01, 2022
Amendments to IFRS 3 <i>"Reference to the Conceptual Framework"</i>	January 01, 2022
Amendments to IAS 16 <i>"Property, Plant and Equipment — Proceeds before Intended Use"</i>	January 01, 2022
Amendments to IAS 37 <i>"Onerous Contracts — Cost of Fulfilling a Contract"</i>	January 01, 2022
Annual Improvements to IFRS Standards 2018–2020 <i>"Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41"</i>	January 01, 2022
IFRS 17 <i>"Insurance Contracts"</i>	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 <i>"Disclosure of Accounting Policies"</i>	January 01, 2023
Amendments to IAS 8 <i>"Definition of Accounting Estimates"</i>	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.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 it 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

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR**NOTES TO THE COMBINED FINANCIAL STATEMENTS**
FOR THE YEAR ENDED DECEMBER 31, 2021**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.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

Cost model:

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.

Other measurement model:

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, 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.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 creates enforceable right and obligations and sets out the criteria for every contract that must be met.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 as the asset 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.

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR**NOTES TO THE COMBINED FINANCIAL STATEMENTS**
FOR THE YEAR ENDED DECEMBER 31, 2021**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 associated assumptions are based on the 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 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 classified 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.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

4. PROPERTY AND EQUIPMENT:	Furniture, fixtures and office equipment QAR	Motor vehicles QAR	Tools and equipment QAR	Land QAR	Capital work-in- progress QAR	Total 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%			

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

5. LEASES:

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:

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:

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:

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:

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

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Notes receivable

Post dated cheques receivable

Less: Provision for doubtful debts

Fair value of notes receivable

Total fair value of account receivable and notes receivable

December 31,	
2021	2020
QAR	QAR
135,183	5,875,449
-	(1,700,000)
135,183	4,175,449
89,427,356	36,244,299

Other debit balances

Prepaid expenses

Due from staff

Security deposits receivable

Other debit balances

Total accounts receivable and other debit balances

859,659	670,160
114,895	17,001
108,761	43,240
421,328	960,516
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:

i) Aging of neither past due nor impaired
Up to 30 days

ii) Aging of past due but not impaired
31 - 60 days
61 - 90 days
Above 90 days

iii) Aging of past due impaired
Above 90 days

Total

December 31,	
2021	2020
QAR	QAR
75,326,061	26,884,838
8,442,014	2,517,398
1,508,639	1,503,065
4,015,460	1,163,549
13,966,112	5,184,012
9,250,000	6,250,000
98,542,173	38,318,850

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

Balance at the beginning of the year

Written off during the year

Provision during the year

Balance at the end of the year

December 31,	
2021	2020
QAR	QAR
7,950,000	7,350,000
(155,059)	(55,265)
1,455,059	655,265
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:

Balance at the beginning of the year

Movements during the year

Balance at the end of the year

December 31,	
2021	2020
QAR	QAR
4,170,499	3,797,039
10,727,678	373,460
14,898,177	4,170,499

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

10. CONTRACT ASSETS:

	December 31,	
	2021	2020
	QAR	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	2020
	QAR	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	2020
	QAR	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	2020
	QAR	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	2020
	QAR	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

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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	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	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	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	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	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

MEKDAM HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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
Technical Services
Centralized Alarm Monitoring 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		Total QAR
					QAR	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)
Depreciation	(611,193)	(77,499)	(91,420)	-	(503,017)		(1,283,129)

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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)
Depreciation		(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

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 and stressed conditions, without 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.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 QAR	Fair value QAR	Carrying value QAR	Fair value 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 FIGURES:

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.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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.