



**MEKDAM HOLDING GROUP**



**ANNUAL REPORT  
2023**

**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 August 2, 2021. As a result of the outstanding performance and absolute commitment to the requirements of the regulatory authorities, Mekdam Holding Group was able to transfer the listing of its shares from the venture market to the main market on January 2, 2023.

The Group operates through its subsidiaries that provides ICT 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 non-exclusive distribution rights on the products and services developed by the Group's 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 526.0 million	QAR 36.4 million	QAR 373.8 million	QAR 0.430	QAR 80.0%	QAR 38.6 million

### Our operational strength:

Contracts under execution	Submitted offers and under negotiation	Customer retention rate
QAR 1,765 million	QAR 3,644 million	90%

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## 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



**Eng. Tariq Bader Al-Sada**  
Board Member  
(Non-Executive Member)



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



**Mr. Saleh Mohammed Al-Nabet** Board  
Member  
(Non-Executive Member)



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



**Mr. Hassan Matar Al-Sowaidi**  
Independent Board Member  
(Non-Executive Member)  
Chairman of Investment Committee  
Member of Nomination and  
Remuneration Committee  
Member of Audit and Risk 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 0.430**

**Return on equity: 18.9%**

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.



The strong economic performance supported by hosting various types of sporting events, international conferences and seminars had a good impact on the group's performance during the year 2023. Mekdam Holding Group has achieved growth in operating profits, as operating profits before banking interest and depreciation amounted to QAR 46.9 million for the financial year ended on December 31, 2023, compared to QAR 40.5 million for the previous year, with a growth rate of 15.7%. This improvement in operating profits came as a result of the company's ability to maintain revenue levels of QAR 526.0 million and reduce operating costs. Mekdam Holding Group achieved a net profit of QAR 36.4 million for the financial year ended on December 31, 2023, compared to QAR 34.3 million in the corresponding year of 2022 with a growth rate of 6.3%, as the sharp rise in interest rates curbed the growth in net profits. Earnings per share (EPS) amounted to QAR 0.430 for the financial year ended December 31, 2023, compared to EPS of QAR 0.457 in the corresponding year of 2022.

As a result, the Board decided to recommend to the General Assembly the distribution of dividends to shareholders in the form of bonus shares. It distributes bonus shares to shareholders at a ratio of 6 shares for every 21 shares (equivalent to approximately 0.2857 share per share).

The Extraordinary General Assembly approved the capital increase on September 10, 2023, through rights offering, the capital was increased by QAR 30 million, bringing the company's capital to QAR 105 million. The subscription process witnessed an unprecedented turnout, as the subscription rate reached approximately 98%, while unsubscribed shares were sold through the Qatar Stock Exchange on the same day it was offered. The Board confirmed that the timing of the capital increase is appropriate to support the company's continuous growth. Where a group of large projects have



been awarded recently to the company. In preparation for strategic expansions, the Extraordinary General Assembly canceled the maximum individual ownership limit of 5% and allowed the foreign investor to own 100% of the capital. All other procedures in this regard are under process.

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 Mohammed bin Abdulrahman Al Thani, Prime Minister and Minister of Foreign Affairs. 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 Companies Affairs 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 on Qatar Stock Exchange and the capital increase.

And now, I would like to conclude by recognizing 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.

## Chief Executive Officer's statement

**Contracts being executed:**  
**QAR 1,765 million**

**Submitted offers:**  
**QAR 3,644 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 by taking the advantage of the strong economic performance supported by hosting various types of sporting events, international conferences and seminars. 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 have been pleased to continue to be direct contributors to the strategic projects of the 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.

Mekdam Holding Group was able to sign new contracts with a total value of QAR 888 million during the year 2023. The total value of the contracts being implemented amounted to about QAR 1,765 million, while the value of the remaining works amounted to about QAR 1,239 million. With respect to the sales proposals, the total offers submitted and being negotiated with customers amounted to about QAR 3,624 million. The expected success rate, according to historical indicators, ranges from 20% to 30%. The customer retention rate was around 90%. These indicators are the key factor in building revenue expectations, net future profits and enhancing the value of shareholders' equity.

As for the financial position of Mekdam Holding Group, the Group has maintained its liquidity levels of 80.0% of its assets, which are current assets. The current ratio (current assets to current liabilities) is 1.73 times. The group also reduced bank financing, as increased operating cash flows and increased capital contributed to reducing bank financing from QAR 124.1 million as of December 31, 2022, to QAR 63.9 million as of December 31, 2023, i.e., a decrease of 48.5%. As for net bank indebtedness (bank loans minus cash and bank balances), it decreased from QAR 102.4 million as of December 31, 2022, to QAR 38.6 million as of December 31, 2023, i.e. a decrease of 62.3%. It is worth mentioning that bank financing is granted to the company in the form of projects financing that ends with the implementation of these projects and their delivery to customers.

As for credit rating, Standard & Poor's confirmed the credit rating of Mekdam Holding Group at (gcBB).

Our Shareholders and our local and international partners are our pillars of success and have brought a wave of new opportunities. 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 the most needed in the Group. There has been an increase in the qualification of professional cadres that have been enhanced through continuous training due to the steady growth in the number of employees which exceeded 2,551 employees, most of them are highly trained professionals and holders of many professional certificates in their field of specialization. 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 utmost 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.



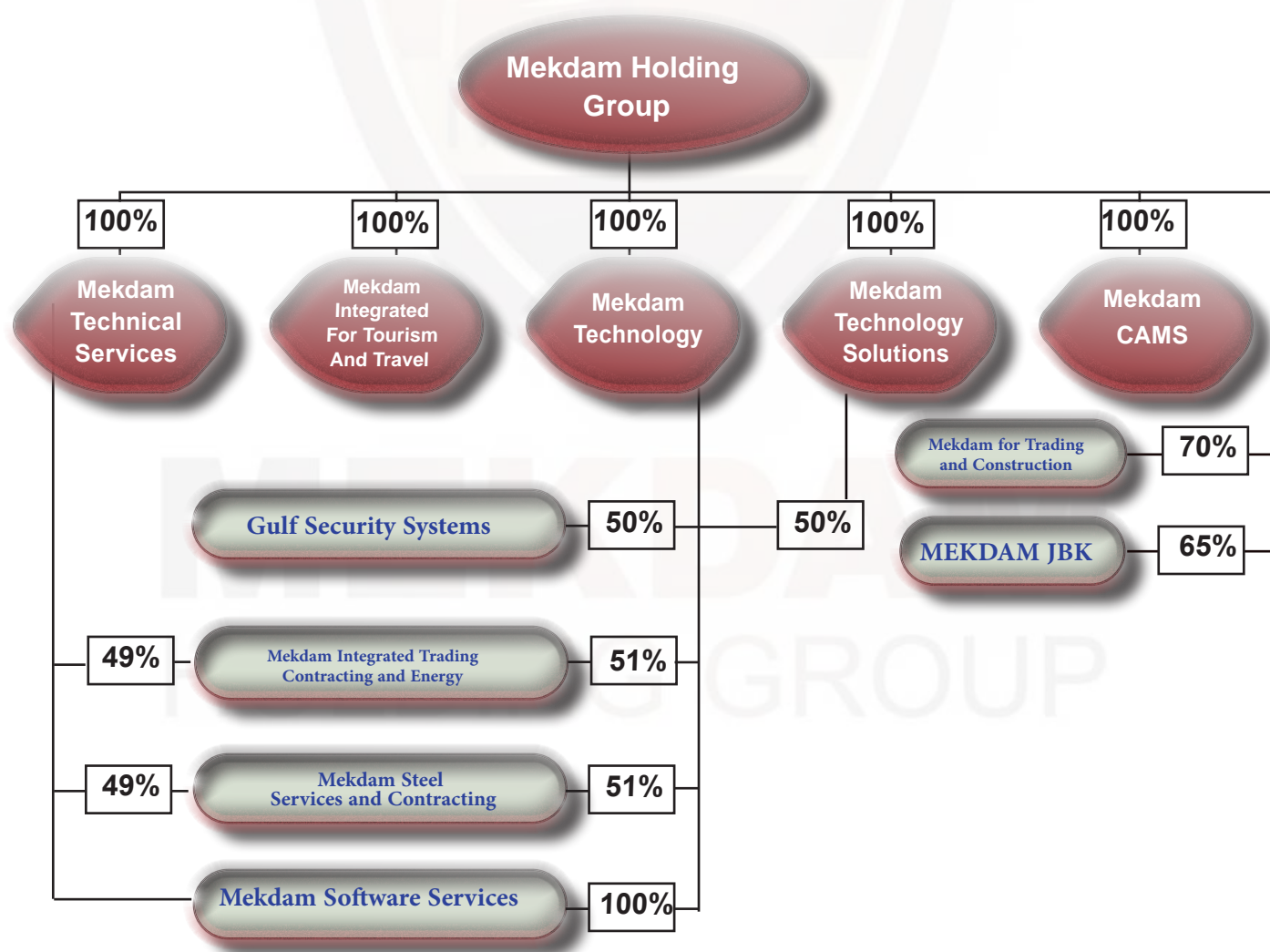
## 4 - Institutional organization

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 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.

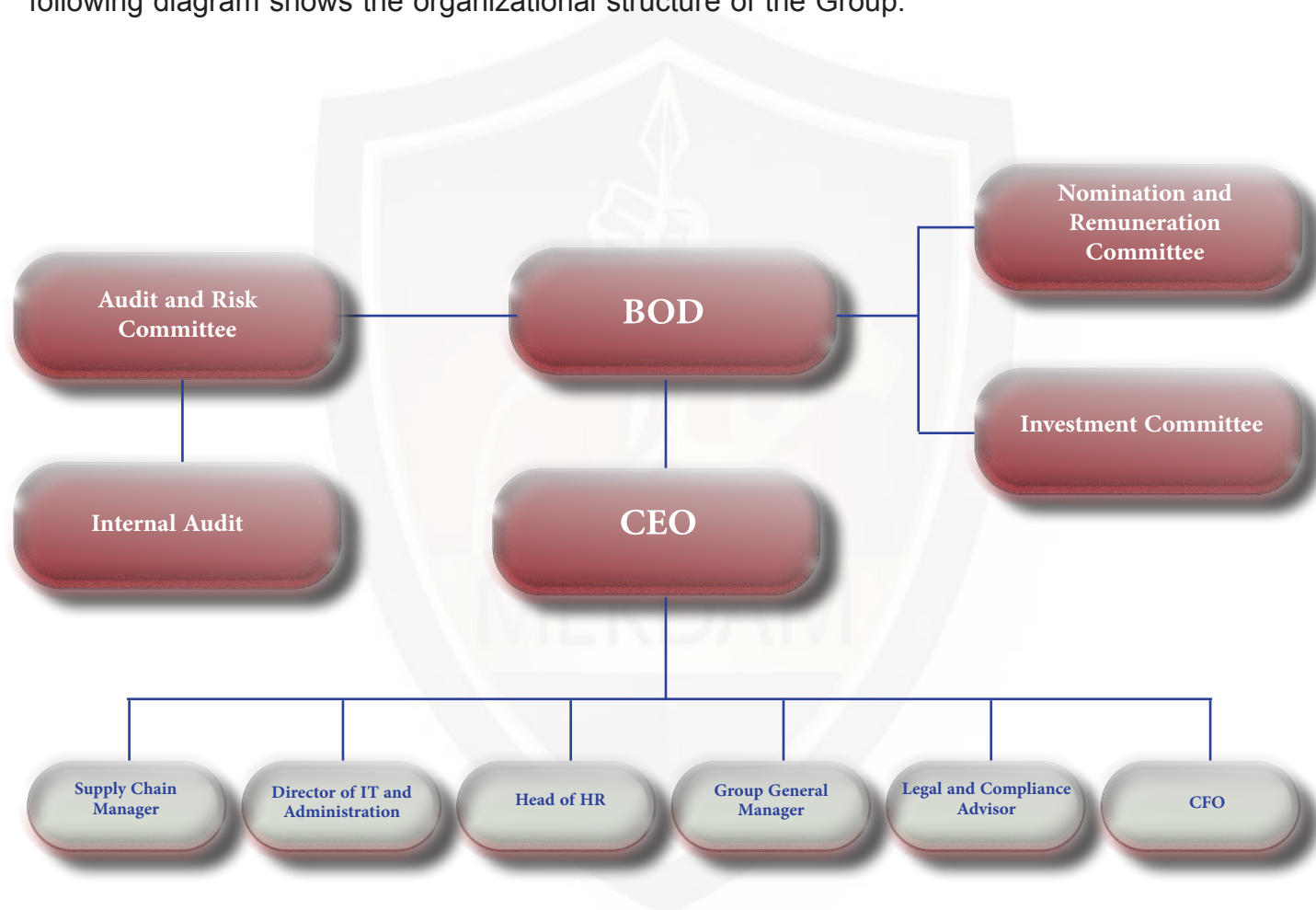
### 4.1 Corporate Structure

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 assumes the responsibility for overseeing the Group and has 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:



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### 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. Banan Suleiman Hussein Serhan	Chief Financial Officer
Mr. Adel Said Diab Elsayed	Legal Advisor
Mr. Marwan Hanna Turjuman	General Manager of Technology Solutions
Mr. Ganesh Kumar Velusamy	General Manager of Technology (Energy)
Mr. Ashraf Rasheed Al Hafi	General Manager of Technology (MEP)
Mr. Shadab Nizam Mukadam	General Manager of Technical Services
Mr. Ahmed Abdullah Ahmed Al-Ibrahim	General Manager of CAMS
Mr. Ahmed Hamed	General Manager of Mekdam Steel
Mr. Venkatesh Seenivasagan	Tender Manager
Mr. Alaa Younis	Head of Human Resources
Mr. Shaik Danish Ahmed	IT Manager
Mr. Firaz Abdul Cassim	Supply Chain Manager
Mr. Taher Abd El Moneim	PMO and QHSE

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. 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 (BΓΣ), 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. Mohamad Baraa Sami Sami A Sabha**

Mr. Mohamad has 15 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.

**Mr. Banan Suleiman Hussein Serhan**

Mr. Banan brings with him a wealth of experience, boasting over 25 years in the finance and operations domain. His extensive expertise includes successfully leading and overseeing financial operations, managing cash flow, cultivating bank relationships, handling investments, acquisitions, mergers, liquidations, launching new business ventures, and converting family business groups into publicly traded companies through Initial Public Offerings (IPOs).

His specialization in investment and contracting businesses, particularly within the Investment Holding Group and Al Jabir Engineering, adds immense value to our organization.

**Mr. Adel Said Diab Elsayed**

Mr. Adel works as a legal consultant. He has more than 23 years in the legal profession and is a member of the Egyptian Bar Association. He is a cassation lawyer and was registered with the Qatari Lawyers Admission Committee from 2010 to 2017. Mr. Adel's experience varies in the fields of civil, commercial, administrative, and criminal law in the State of Qatar for more than 17 years. For years, he worked as a legal advisor at the office of Dr. Hussein bin Ali Al-Dosari Law Firm and Legal Consultations and the office of Attorney Abdullah Al-Muhannadi. He initiated and managed many private files at the level of individuals and major companies inside and outside the State of Qatar.

**Mr. Marwan Hanna Turjuman**

Mr. Marwan joined Mekdam Technology Solutions in January 2018. His career history includes holding multiple positions at various companies, such as Consolidated Contractors Company as Senior Telecom Engineer, and Control Contracting and Trading Company as a Senior Project Manager and Telecom Head.

Mr. Marwan holds a Master of Science in Communications/Signal Processing Engineering from California State University. He also secured a bachelor's degree in Electronics Engineering from Princess Sumaya University for Technology in Jordan. Additionally, he possesses professional qualifications including PMP and IPMO-P certifications and is a member of the Jordanian Engineers Union.

**Mr. Ganesh Kumar Velusamy**

He joined Mekdam in January 2017 and has more than 20 years of experience in the field of engineering, EPIC and maintenance projects. He has held various positions in Qatar, Kuwait, and UAE largely in Oil & Gas, energy, and water industries. He holds a Bachelor of Electronics and Communications Engineering from Madurai Kamaraj University in India.

**Mr. Ashraf Rasheed Al Hafi**

Mr. Ashraf brings with him an impressive track record more than 20 years in the field of MEP construction projects, having worked in Jordan, UAE, and Qatar on a variety of successful ventures. Prior to joining Mekdam Holding Group, he has contributed his expertise to esteemed companies like Electrowatt and MAC Contracting Company, where he managed projects with a total value of QAR 2.0 billion.

**Mr. Shadab Nizam Mukadam**

Mr. Shadab has more than 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. Ahmed Hamed**

Mr. Hamed has over 20 years of experience in the field of Construction (Structural Steel), with 07 years as Operations Head. He started his career with one of the largest steel manufacturing and construction companies in the MENA region, DSD Ferrometalco (German Company) in Egypt. He worked as a Senior Project Control Engineer with Archirodon Construction Co in Abu Dhabi. Later he moved to Saudi Binladin Group (Roots Steel) as a Project Manager. Then he joined Gulf Steel & Engineering (Al Salam Group) in Qatar as the Operations Head. Currently he is the General Manager of Mekdam Steel Services & Contracting. He was graduated from Ain Shams University in Cairo, Egypt in the faculty of Engineering (Civil Department). Also, he has completed a Diploma in Project Management from the American University in Cairo (AUC).

**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. Alaa Younis**

As a Head of Human Resources, 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 Resources 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. Also he is a certified member of CHRP/CHRM.

**Mr. Shaik Danish Ahmed**

Mr. Shaik Danish Ahmed is the IT Manager with over 13 years of extensive experience in the field of Information Technology. As an accomplished IT Manager, he has demonstrated proficiency in managing complex technological infrastructures and implementing cutting-edge solutions. Throughout his career, Shaik Danish Ahmed has contributed his skills and knowledge to some of the leading companies in the information technology sector, playing a pivotal role in enhancing operational efficiency and technological capabilities. Shaik Danish Ahmed is a holder of a bachelor's degree in computer applications, and he is recognized for his expertise in Microsoft and Cisco technologies, holding certifications that underscore his mastery in these domains, providing him with a strong foundation in the theoretical aspects of computing. This educational background, coupled with his extensive practical experience, positions him as a well-rounded IT professional capable of addressing diverse challenges in the rapidly evolving landscape of information technology.

**Mr. Firaz Abdul Cassim**

Mr. Cassim brings with him a wealth of experience in Building, Roads, CIVIL & MEP engineering projects, and the Construction sector, accumulated over a remarkable career spanning 17 years. He has successfully led numerous corporate roles, overseeing projects in Qatar, Kingdom of Saudi Arabia, and the UAE.

Before joining our organization, Mr. Cassim has worked with esteemed international companies such as Bahadir Construction, Besix, and Drake & Scull Internationals, where he oversaw multi-million-dollar projects.

**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).



## 5 - Information about the Group's Companies

The Group operates as a comprehensive service and solution provider in sectors that range from ICT, ELV, Mechanical and Electrical Engineering, Special Services to Oil & Gas, Digital Transformation/ Emerging Technologies and secondment projects up to operation and maintenance services. All subsidiaries operate in a coherent and robust environment from the Headquarters, targeting exclusively prestigious public and private institutions to which they offer comprehensive and integrated solutions with the highest quality international standards and best practices.

The scope of the Subsidiaries business has evolved over the past years, growing and diversifying at the same pace as the rapid evolution trend of the market. This witnesses the efficiency of the management team and the effectiveness of the dynamic approach they pursue. At the date of this Annual Report, the Group's portfolio business is segmented as follows:

### 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 shareholders' equity 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 by Standard and Poor's (S&P). On March 7, 2023, S&P has confirmed the credit rating at (gcBB).

## C. Employees

The Group acts as parent company and provides common corporate services such as human resources, accounting, finance and legal services. As of December 2023, Mekdam Holding Group has 71 employees, divided into executives, department managers and employees:

Description	Number
Executives	3
Managers	10
Employees	58

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## 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 5,400 CAMS users across key sectors and residences around Qatar.

### A. Services

Mekdam CAMS provides the following services and solutions:

- Centralized Alarm Monitoring System (CAMS).
- Central control design.
- Intrusion and burglary alarm system.
- Vehicle intrusion alarm system.
- Maintenance services.
- 24×7 technical support.

### 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 (%)
Primary Health Care Corporation	Supply, Installation and maintenance of panic alarm system.	1,471,680	69%
Ministry Of Education & Higher Education	Supply, Installation and migration of fire alarm communicator system.	1,364,000	91%
Commercial Bank Of Qatar	Supply, Installation and migration of intrusion alarm communicator system.	711,900	55%
Qatar Company For Airports Operation & Management	Maintenance of fire alarm communicator system.	667,000	26%
Ministry Of Education & Higher Education	Supply, Installation and migration of fire alarm communicator system.	658,750	28%
Qatar National Bank	Maintenance of intrusion alarm system.	551,600	25%
Remal Intl	Supply, Installation and migration of fire alarm communicator system.	316,000	0%



Customer	Project	Value	Progress (%)
Ahli Bank	Supply, Installation and migration of intrusion alarm communicator system.	254,400	75%
Al Ahli Bank	Maintenance of intrusion alarm system.	254,400	25%
Qatar International Islamic Bank	Maintenance of intrusion alarm system.	135,156	59%

### C. Patent

Mekdam CAMS has a patent registered 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
 <b>BOSCH</b>	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 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 2023, the number of employees of the Mekdam CAMS was about 24, divided into managers and employees.

Description	Number
Managers	2
Employees	22

### 5.3 Mekdam Technology Solutions

Mekdam Technology Solutions ranks as one of the top technology companies in Qatar. It is a system integrator that provides a wide spectrum of solutions and systems. The offering ranges from Extra low voltage systems such as ICT, audio visual, security and safety, wireless phone telecommunication, Emerging Technologies that include metaverse, IOT, cloud services, Cyber security to electromechanical engineering services with a specialized vertical serving Oil & Gas sector. A dedicated Operations and Maintenance vertical guarantees after sales activities and covers all the post implementation cycle of any technology solution.

Mekdam Technology Solutions is a party to some of the largest projects in Qatar, thanks to its market-leading experience depth and breadth. The company is proud of its high customer retention rates, which testifies the elevated delivery standards implemented by its experts and professional teams, together with the unconditional support of the wide range of strategic partnerships.

#### A. Services

##### Information and Communication Technology

Mekdam Technology Solutions 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.
- Network 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 Solutions offers a wide range of solutions suited for businesses, Government, and residences. Its range of MOI-SSD-Compliant products, services and solutions, meets 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 Solutions 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.

## Audio Visual Solutions

Mekdam Technology Solutions 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 Solutions' 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.



## Education

Mekdam Education vertical is first of a new generation consultation, business process, sales in the Digitalization Cycle that is taking place and superseding the traditional one. It has partnerships with the most world-wide prestigious solution providers in Learning Management Systems (LMS) and Student Information System (SIS) for schools and universities, from k-12 and higher education as well as professional training courses for employees. Its proven ability in implementing such solutions makes it a major player in the Education field.

## Solutions

- E-learning LMS products.
- Student Information System.
- Content creation.
- Software and Apps Development.
- Data Analytics and Feedback.
- Social Learning System.
- Collaboration Tools.
- Multi Conference Board.
- E-commerce Website for Reselling Courses.
- Health Care Aide Training Topics.
- Award winning Library of Microlearning Training Videos.
- Clinical Courses.

## Emerging Technologies

In today's transformative business environment, Emerging Technologies play a decisive role in enhancing organizational innovations, customer experience and overall success. They define those new and growing breakthrough technical innovations that can develop within a field or be converging technologies of distinct fields which are in some way moving towards stronger inter-connection and similar goals.

Mekdam offers solutions such as the Internet of Things (IoT), Artificial Intelligence (AI), Cloud, Machine Learning (ML), Augmented Reality (AR), Metaverse solutions and quantum computing which can help organizations scale on demand, improve resiliency, minimize infrastructure investments and deploy solutions rapidly and securely. These technologies create powerful transformations to drive revenue and outshine the competition. Combining the insights of business leaders with the technical expertise of Mekdam leads to synergistic decision-making that differentiates organizations and brings prized marketplace disruption.

## Solutions

- Smart Cities.
- Health Monitoring and Support.
- Digital Twin.
- Metaverse Application and Learning System.
- AI Video Analysis.
- Retail Application.
- Smart Buildings.
- Microsoft Solutions.
- Google Solution and Applications.
- Computer Vision Application.
- Fleet Management.
- Smart Park.
- Smart Parking.
- Traffic Management.
- Asset Management.
- Street Light Management.
- Smart Farming (Irrigation, Forest, Marine...).
- Tracking System.

## Operations and Maintenance

Mekdam commands vast expertise in Operation and Maintenance (O&M) Services with a dedicated professional team and through a call center that operates round the clock. The Company provides maintenance services in the following 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.

## B. Major Projects

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

Customer	Project	Value	Progress (%)
Ministry Of Education & Higher Education	Learning Management System.	31,999,750	46%
Qatar Company for Airports Operation and Management W.L.L.	WIFI Infrastructure Upgrade at Passenger Terminal Complex.	27,363,572	67%
CONSPEL QATAR W.L.L.	Katara Twin Tower Hotel Project Package 3 at Lusail.	17,121,032	92%
Urbacon Trading & Contracting Co. (UCC)	Design and Build of BGM, IPTV and AV System Networks Package 1, 2 & 5.	15,981,193	90%
Hamad International Airport	Supply - Infrastructure & Installation of CCTV Cameras - HIA.	14,724,990	3%
Urbacon Trading & Contracting	Design & Built of CCTV, ACS, SCS, AV, Active System & Fiber Runner for Lusail UGS.	14,571,152	86%
Al Jaber Engineering Co. WLL	SITC of CCTV System for HIA Package-14 RTBF.	12,817,786	95%
Meeza Qstp Llc	Project 401 - Integrated Training Center for QAF Joint Special Forces Design & Build (T-101-01).	10,090,810	92%
Hamad Medical Corporation HMC	Upgradation of Existing CCTV System at HMC Facilities.	7,287,733	79%
Generic Engineering Technologies	Additional CCTV Camera due to DC2 Approval at Lusail International Circuit.	6,550,000	0%
AnelMEP	SITC for Wirelss, IPTV, Digital Signage & VCS System Lusail Plaza Towers Plots 3 & 4.	6,465,568	64%
Qatar Gas Operating Company WLL	Supply of Audio Visual Systems Components.	5,786,994	12%
Civil Aviation Authority	Design & Implementation of CCTV System at Emiri Lounge.	5,421,912	2%



## C. Mekdam Trademarks



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 regard 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.
	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.
	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.
	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.
	Pro Display manufactures an innovative range of AV and Digital Signage solutions designed for advertising, news, and entertainment purposes.
	Today, Cisco solutions represent the networking foundations for service providers, small to medium business and enterprise customers which include 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.

Trademark	About the brands
	<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>
	<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>

Trademark	About the brands
	<p>CommScope pushes 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>Juniper strives 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>
	<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 the US and regional office in the Middle East, PhishRod has a strong network across the Middle East, Africa, Europe &amp; 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>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>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>



Trademark	About the brands
	<p>In addition to being a leading developer of personal-computer software systems and applications, Microsoft moved into cloud computing, where application software and data storage are provided by centralized Internet services and are simply accessed by users through their local PCs. Microsoft's first move was with its Windows Azure (since 2014, Microsoft Azure) platform, announced in 2008 and launched in 2010. Azure lets service providers or businesses build computing infrastructure in the "cloud" and then offer the infrastructure as services to users.</p>
	<p>Google LLC operates as a global technology company specializes in internet related services and products. The Company focuses on web-based search and display advertising tools, search engine, cloud computing, software, and hardware. Google serves customers worldwide.</p>

## D. Employees

Mekdam Technology Solutions employs highly qualified, experienced, and technical staff. The number of employees as of December 2023, was about 200, divided into managers and employees.

Description	Number
Managers	21
Employees	179

## 5.4 Mekdam Technology

Mekdam Technology is a reputed engineering, procurement, and construction service provider in Qatar. Mekdam leads the expertise in the mechanical, electrical, instrumentation disciplines and it is one of the Qatar's top EPC contractors for the energy and power industries.

Mekdam Technology undertakes complete electromechanical works (electrical, plumbing, drainage, HVAC, fire fighting, ELV system, etc.) on turnkey basis for any type of projects.

Mekdam Technology is classified by Kahramaa as Grade A contractor and a Leading QCDD approved "A" Grade Fire Protection Specialist in the State of Qatar, offers wide range of turnkey services in various types of complete fire and life safety systems to our valuable business partners to protect the Life, Environment and Property.

### A. Services

#### Solutions

- Design modifications as per project requirements, shop drawings, MEP co-ordination drawings, reflected ceiling plans and as-built drawings.
- Technical submittals, method statements, design change impact calculations, load calculations etc.
- Engineering, Procurement, Installation, and Commissioning (EPIC) Projects.
- Electromechanical Services (MEP).
- Civil and infra works.
- Turnkey Projects Solutions.
- Shutdown and Turnaround Services.
- Trading and Scaffolding Works.
- Engineering Services.
- Plant Automation and SCADA works.
- Operation and Maintenance services.
- Safety Studies (HAZID, HAZOP, SIL, etc.).
- Maintenance and Operation Services.
- Operational technology (OT) cybersecurity Consultancy.
- Act as an 'in-house' technical support for MEP site works.
- As- built and 3D modeling services.

#### Operations and Maintenance

Mekdam commands vast expertise in Operation and Maintenance (O&M) Services with a dedicated professional team and through a call center that operates round the clock. The Company provides maintenance services in the following systems:

- SCADA Systems.
- Fire and Gas (F&G) systems.
- Telecom systems.
- HVAC system.
- 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 (%)
Domopan W. L. L . Qatar	MEP Works Al Waab City.	114,000,000	47%
National Industrial Contracting	Supply & Installation of MEP Works.	75,000,000	16%
Economic Zones Company	Construction of CCTV System & Control Building.	66,126,195	95%
Qatar Energy	Replacement of 33kv Power Cables & Protection Relay at NGL-3.	35,828,901	75%
Gulf Asia Contracting W.L.L.	Temporary Construction Facilities Preparation and Utilities.	28,923,129	50%
Intergrated Engineers & Contractors	E&I Works for W1A Area (W1A Offsites and Helium) and off plot works (EPC-01).	23,500,000	0%
Qatar Energy	Turnaround Maintenance Services for Jaleha, Diyab & Umbab in Dukhan Fields.	23,167,194	21%
Qatar General Electricity & Water Co.	Three (3) years Manpower Supply to Support Meter Section for the AMI Roll-out and Daily Works.	22,828,532	10%
Qatar Energy LNG	Fire & Gas System Maintanance Services for QG North.	19,738,570	73%
Qatar General Electricity & Water Co.	Call-off Contract to Enhance Installation Operation and Services.	15,724,800	20%
Qatar Energy	Leak Detection System.	13,419,177	12%
Qatar General Electricity & Water Co.	Operation & Maintenance of Diesel Generators.	13,239,681	28%
Qatar Fertiliser Company (P.S.C)	EPCC of Toxic Gas Detection System (TGDS) Control Panels and Toxic Gas Detectors.	12,127,705	18%

## C. Trademarks

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 regard to the trademarks. The Company has the right to use its Subsidiary's trademarks.

Trademark	About the brands
	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.
	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.
	Europe's leading manufacturers of sealing systems for cables, pipes and building entries include utility companies, public utilities, construction companies, installation companies, telecommunication companies and industrial partners.
	KEC is one of the leading manufacturers of power and telecom cables in India.
	ZIV Automation UK specialises in automating transmission & distribution networks providing automation hardware, software & support. The company Offers RTU, SCADA & DERMS solutions to customers across the world.
	Sprecher Automation provides products and solutions for power supply and process automation. Sprecher Automation secure critical infrastructures and optimize complex energy and industry processes.

## D. Employees

Mekdam Technology employs highly qualified, experienced, and technical staff. The number of employees as of December 2023, was about 812, divided into managers and employees.

Description	Number
Managers	19
Employees	793



## 5.5 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 offered by Mekdam Group 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	Recruitment Services - Manpower Call-off-FIFA 2022.	542,435,832	35%
Ashghal - PWA - Drainage	On Call Secondment of Staff for Drainage Network Operation & Maintenance Department.	185,000,000	2%
Qatar Petrochemical Company (QAPCO)	Long Term Contract for Provision of Skilled Manpower in Different Disciplines in QAPCO Premises.	175,000,000	3%

Customer	Project	Value	Progress (%)
Qatar Energy LNG	Frame Agreement.	141,050,097	50%
Qatar Airways	Call-ff supply - Manpower.	129,161,460	40%
Ashghal PWA - ROMD	On-Call Staff Secondment Contract - Roads Operation and Maintenance Department.	99,737,780	53%
Qatar Petrochemical Company (QAPCO)	Long Term Contract for Provision of Engineering Services Manpower.	58,000,000	10%
Qatar Energy LNG	Hire of IT Skilled Senior Resources on Call off Basis .	49,342,598	50%
Qatar Primary Material Company - QPMC	Call off Agreement for Wheel loader Operators and Heavy Truck Drivers for Qatar Primary Materials Company (Services).	31,500,000	3%
Qatar Energy LNG	Provision of On-Site & Off-side Documentation Services.	27,455,308	62%
Ashghal PWA - DHC	Secondment of Site Supervision Staff for House Connection & Secondary works section.	20,810,233	28%
Qatar Petrochemical Company - QAPCO	Provision of Skilled Manpower for Support in QAPCO Project Management.	20,018,284	20%
Ashghal IT PWA	Call Off Agreement-IT Professional Support Services 2019 .	19,862,148	95%
Ashghal PWA - QSD	Call off Secondment Staff Contract for Quality and Safety Department.	16,321,788	5%
General Dynamics Mission System Italy	Supply of Engineering Manpower for Qatar Shell Project.	8,100,000	80%
Woqod	Outsourcing of Manpower (Fireman) for Woqod facilities on call off contract basis for a period of five (5) Years.	7,733,528	40%
Qatar Energy LNG	Hire of IT Skilled Non-Senior Resources on Call off Basis.	6,730,293	22%

### C. Employees

MTS employs experienced staff having high efficiency and technical skills. As of December 2023, the number of employees of MTS was about 1,278, divided into managers and employees.

Description	Number
Managers	5
Employees	1,273

## 5.6 Mekdam Software Services (MSS)

MSS offers software consulting as well as a complete custom software development program. Its team applies a step-by-step methodology that starts with the planning and analysis phase, followed by data gathering and insights on architecture and design of the program. Quality and functional testing are carried out during the whole cycle to ensure the success of the development process. Once implemented, MSS provides full maintenance, support and enhancement activities to ensure the product is at pace with the market trends and needs.

### A. Services

- Web and Mobile Application Development.
- API Development and Integration: Create APIs (Application Programming Interfaces) and integrate them with other systems or applications.
- E-commerce Development.
- Data Analysis and Visualization.
- Cloud Computing.
- DevOps: Automate the software development and deployment process using tools and frameworks such as Jenkins, Docker, and Kubernetes.
- Maintenance and Support.

### B. Employees

MSS employs experienced staff having high efficiency and technical skills. As of December 2023, the number of employees of MSS was about 6, divided into managers and employees.

Description	Number
Managers	1
Employees	5

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## 5.7 Mekdam Steel Services and Contracting

Mekdam Steel is an Engineering, Fabrication & Erection Company that earned a solid reputation as one of the country's foremost Structural Steel Engineering and Contracting Operators throughout Qatar and delivering quality service to a diverse range of clients. To gain maximum mileage, Mekdam Steel has setup a Quality Control Program with high standards in the industry which enables cost effective and timely delivery of projects. Mekdam Steel motto is "Whatever that's complex, we deliver it easy" for all our stakeholders.

### A. Services

- Primary Steel Structural Works.
- Secondary Steel Structural Works.
- Tertiary Steel Structural Works.
- Fire Escape Ladders.
- Fencing.
- Catwalk Systems, Storage space.
- Gratings & Chequered Plates.
- Emergency Stairs & Balustrades
- Gates, Handrails etc.

### B. Facilities

Mekdam Steel's facility located in Mesaieed, Qatar. The total facility is around 10,000 m<sup>2</sup>, equipped with state-of-the-art machineries and overhead cranes.

- Hot and Cold rolled fabrication facilities for structural steel works 8,500 m<sup>2</sup>,
- Painting, Blasting and Fire proofing area of approx. 850 m<sup>2</sup>,
- Design and administrative office of approx. 650 m<sup>2</sup>,
- Monthly production capacity of approximate 400 to 600 Tons of steel fabrication.

### C. Major Projects

Customer	Project	Value	Progress (%)
Domopan Qatar W.L.L.	Subcontract for Execution and Delivery of Scope of Structure Steel Works" - Al Waab city central District, phase 1, Parcel 2.	6,460,000	41%
Al Muftah Contracting Co. W.L.L.	Supply, Fabrication, Trail Assembly & Delivery of Steel Structures for Jetty works - QAFCO.	4,949,500	62%
Eversendai Engineering Qatar W.L.L.	Fabrication, Painting and Delivery of Steel works including Built-up Beams.	596,596	46%
Almufta Contracting Company	Supply, Fabrication, 2 Coat paint and Delivery of Steel Structure & Fabrication, Welding, RT and 3 Coat Painting of CS Pipes.	265,623	61%
Almftah Polymer W.L.L.	Fabrication, NDT and Delivery of Structural Steel Frame Table.	127,600	60%



## D. Employees

Mekdam Steel employs experienced staff having high efficiency and technical skills. As of December 2023, the number of employees of Mekdam Steel was about 160, divided into managers and employees.

Description	Number
Managers	4
Employees	156



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## 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. Building on the World Cup's success in publicising Qatar's tourism potential, Qatar aim to attract 6m visitors a year by 2030, with the sector contributing about 12% of GDP by that year. One of the principal goals of QNV 2030 is the development of human capital. In support of this, about one-fifth of total spending in the 2024 budget has been allocated to the education and healthcare sectors.

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

Selected economic indicators	Unit	2018	2019	2020	2021	2022	2023 (Estimated)
GDP (Constant Prices)	QAR Billion	667.3	671.9	648.0	657.9	690.1	706.9
GDP (Constant Prices %)	%	1.2	0.7	(3.6)	1.5	4.9	2.4
GDP, current prices	QAR Billion	667.3	642.0	525.7	654.0	860.6	857.2
Inflation	%	0.1	(0.9)	(2.5)	2.3	5.0	2.8
Population	Million	2.8	2.8	2.8	2.7	2.8	2.9
General Government revenue	QAR Billion	231.9	239.5	189.1	220.3	325.0	297.0
General Government expenditure	QAR Billion	192.8	208.4	182.4	191.9	208.7	204.8
General Government gross debt	QAR Billion	348.2	398.6	381.7	382.0	365.3	354.5
General Government gross debt %	%	52.2	62.1	72.6	58.4	42.4	41.4
Current Account Balance	QAR Billion	60.6	15.5	(10.9)	95.8	229.7	151.2
Current Account Balance %	%	9.1	2.4	(2.1)	14.6	26.7	17.6

Source: World Economic Outlook 10/2023- 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, 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.

In the medium term, it is expected to continue to shape policies, 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.

Qatar is well placed to bolster European energy security over the medium term, reflected in a number of long-term LNG contracts signed by the state-owned Qatar Energy. However, China will remain the principal market for Qatar's LNG exports, despite some repositioning towards Europe.

## 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. With income from oil and gas accounting for about 85% of fiscal receipts, weaker global energy prices will constrain revenue collection in the near term. Later in the forecast period, however, the fiscal account will receive a major boost from rapidly rising LNG output and rising government receipts.

In its budget for 2024, the Ministry of Finance has adopted a conservative stance, both in terms of projected revenue collection and spending. Based on an average oil price assumption of USD 60 per barrel (down from USD 65 per barrel in the previous year's budget) the total revenue will decline by 11.4%, to QAR 202 billion. This will result in a small surplus, albeit before taking into account about QAR 7.3 billion of scheduled public debt repayments.

Forecasts for 2024 may be more optimistic, as global oil prices are expected to average around USD 80 per barrel in 2024, supporting total revenue collection of approximately QAR 228 billion and achieving a budget surplus equivalent to 2.7% of GDP.

## 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.

Although it will not always follow an identical trajectory. The US has now reached the end of its tightening cycle but that it will delay any cut in interest rates until the second quarter of 2024, given the need to anchor inflation expectations. The Fed will proceed gradually with monetary loosening in 2024-2026, with the cumulative decline in interest rates amounting to 275 basis points, before leaving rates on hold in 2027-2028. Therefore, the QCB's rate will decline from 6.00% to 3.25% in 2027-2028.

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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### 6.3 Economic Growth

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

Selected economic indicators	Unit	2023	2024	2025	2026	2027	2028
GDP (Constant Prices)	QAR Billion	706.9	722.2	749.1	776.0	824.7	847.6
GDP (Constant Prices %)	%	2.4	2.2	3.7	3.6	6.3	2.8
GDP, current prices	QAR Billion	857.2	896.7	941.9	985.3	1,042.6	1,073.7
Inflation	%	2.8	2.3	2.2	2.1	2.0	2.0
Population	Million	2.9	2.9	2.9	2.9	2.9	3.0
General Government revenue	QAR Billion	297.0	305.1	309.4	320.4	335.8	343.7
General Government expenditure	QAR Billion	204.8	214.2	223.1	231.5	241.7	249.1
General Government gross debt	QAR Billion	354.5	343.1	342.3	343.6	345.0	346.5
General Government gross debt %	%	41.4	38.3	36.3	34.9	33.1	32.3
Current Account Balance	QAR Billion	151.2	138.3	125.0	108.1	121.2	99.7
Current Account Balance %	%	17.6	15.4	13.3	11.0	11.6	9.3

Source: World Economic Outlook 10/2023 - International Monetary Fund

#### A) Economic growth

Real GDP growth will remain relatively subdued in 2024-2025. In particular, a weakening in natural gas prices is likely to have a dampening effect on hydrocarbons activity and exports. However, robust non-oil growth will provide a partial offset, helped by a number of new infrastructure projects. The government are planning to launch tenders shortly for projects that have a combined value of QR70bn (US\$19.2bn). The Public Works Authority (Ashghal) will play a pivotal role, with the projects spanning multiple sectors and offering opportunities for private-sector participation. The tourism sector will maintain its vibrancy. Confirming its ambitions as a global sporting hub, Qatar is due to host the World Aquatics Championships, and has also signalled its intention to bid for the summer Olympic Games in 2036.

The development of the North Field East LNG expansion project will be a major driver of the economy, initially through heavy investment spending and subsequently through rapidly rising LNG output. The surge in LNG production in 2027 will be particularly pronounced, raising real GDP growth in that year. Relatively low inflation—accompanied by gradual monetary easing—will also help to support private consumption, while the government's focus on economic diversification will spur steady growth in non-energy activities.

#### B) Inflation

A firm US dollar (against which the riyal is fixed) will continue to act as a buffer against imported inflation. The current tight monetary policy stance, combined with a further delay in VAT implementation, will limit inflation. Over the forecast period, upside risks to inflation will stem from possible capacity constraints and shortages of skilled labour as the authorities forge ahead with projects under Qatar National Vision 2030.



## C) Exchange rates

The riyal is pegged to the US dollar at a rate of QAR 3.64: USD 1. The authorities are set to remain committed to the peg, as hydrocarbons exports are denominated in US dollars and the peg reassures investors and reduces sovereign borrowing costs. The strength of Qatar's fiscal and external balances also supports confidence in the sustainability of the peg. Even if downward pressure on the riyal recurs, ample central bank reserves (which stood at USD 44.5 bn at the end of November) and massive QIA assets could be drawn on to protect the peg.

## D) External sector

The strength of Qatar's hydrocarbons sector will help to underpin the performance of the country's external accounts. Despite lower international oil and gas prices, further expansion of Qatar's hydrocarbons sector will underpin the performance of the country's external accounts. Goods export revenue will move in tandem with global hydrocarbons prices and export volumes. Despite rising expenditure on imports, international reserves will be sufficient to sustain average import cover of over 12 months during the forecast period. Services credits will increase over the forecast period, owing rising tourism income. However, services debits will also increase, partly as a result of rising payments to foreign contractors involved in the North Field expansion project.

Goods export revenue will move in tandem with global oil and gas prices and export volumes. Despite a gradual forecast fall in hydrocarbons prices, strong international demand for LNG will support the merchandise trade position, with surpluses averaging 31.5% of GDP a year in 2023-2027.

## 6.4 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. 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.



## 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 60.0% of their revenue during 2023. 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 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 system 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 Energy, 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, Rasiliant.
- 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 2023, the Group's total non-current assets amounted to QAR 47.4 million (excluding a plot with a value of QAR 27.3 million), equivalent to 12.7% of the total assets of QAR 373.8 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.

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## 8- Management Discussion and Analysis

The management discussion and analysis of the company's financial position and the results of its operations are based on audited financial statements and accompanying notes as of December 31 for financial years 2023 and 2022 and should be read in conjunction with them.

### 8.1 Income Statement

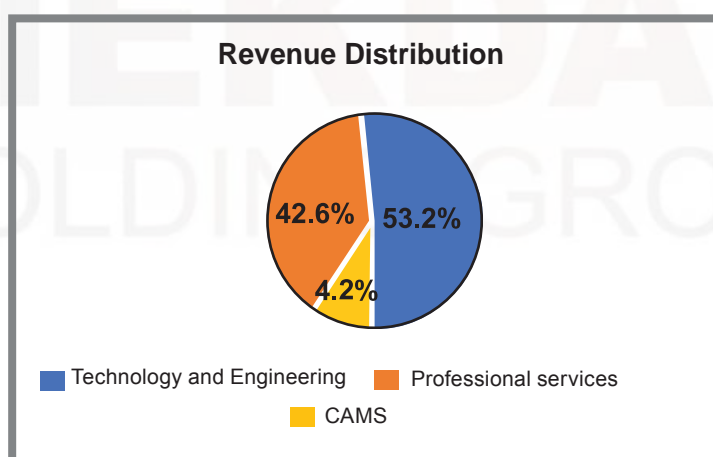
In QAR	2023	2022
Revenue	525,985,159	526,984,257
Cost of Operations	(436,318,778)	(448,310,078)
<b>Gross Profit</b>	<b>89,666,381</b>	<b>78,674,180</b>
Other income	149,195	-
General and administrative expenses	(42,921,915)	(38,128,257)
Operating Profit for the year	<b>46,893,661</b>	<b>40,545,923</b>
Finance Cost	(8,453,905)	(4,669,891)
Depreciation	(2,024,019)	(1,621,541)
<b>Net Profit for the year</b>	<b>36,415,737</b>	<b>34,254,490</b>

Source: Consolidated financial statements for the year ended December 31, 2023.

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, 2022 and 2023.

### Revenue

The Group receives its revenues through its subsidiaries: Mekdam CAMS, Mekdam Technology, Mekdam Technical Services, Mekdam Steel and others through which electronic services, operation and maintenance, networks, systems, and information security systems are provided. Revenues are distributed in percentages as follows: technology and engineering services 53.2%, professional services 42.6%, and CAMS 4.2%.



Source: Audited financial statements of Subsidiaries for the year ended December 31, 2023

Despite the business momentum that accompanied hosting the World Cup in 2022, the Group was able to maintain its revenue levels. The projects that were implemented during the year 2023 were sufficient to compensate for the absence of project momentum that prevailed in the year 2022.

In QAR	2023	2022
Revenue	525,985,159	526,984,257
Annual change (%)	(0.2%)	

Source: Consolidated financial statements for the year ended December 31, 2023.

Mekdam Holding Group was able to sign new contracts with a total value of QAR 888 million during the year 2023. The total value of the contracts being implemented amounted to about QAR 1,765 million, while the value of the remaining works amounted to about QAR 1,239 million. With respect to the sales proposals, the total offers submitted and being negotiated with customers amounted to about QAR 3,624 million. The expected success rate, according to historical indicators, ranges from 20% to 30%. The customer retention rate was around 90%. 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, the following is the data in absolute and percentage form:

In QAR	2023	2022
Cost of operations	436,318,778	448,310,078
As percentage of revenue (%)	83.0%	85.1%

Source: Consolidated financial statements for the year ended December 31, 2023.

The operating cost decreased from QAR 448.3 million to QAR 436.3 million, or decreased by 2.7%. It has been achieved by increasing the operational efficiency of operations and enhancing the productive capacity of employees.

## Gross Profit

In 2023, the gross profit increased from QAR 78.7 million to QAR 89.7 million, or increased by 14.0%. This improvement in operating profits came as a result of the company's ability to maintain revenue levels that amounted to QAR 526.0 million and reduce operational costs.

In QAR	2023	2022
Gross profit	89,666,381	78,674,180
Gross profit margin (%)	17.0%	14.9%

Source: Companies' financial statements for the year ended December 31, 2023.

## General and administrative expenses

General and Administrative expenses consist of expenses not directly allocated to 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 company's headquarters. Employees' salaries and benefits accounted for 67.4% of total general and administrative expenses in 2023.

General and administrative expenses increased from 38.1 million in 2022 to 42.9 million in 2023 by 12.6%, primarily due to the increase in the cost of employees' expenses and the expansion in the organizational structure to keep pace with the increase in business volume.

In QAR	2023	2022
General and administrative expenses	42,921,915	38,128,257
As percentage of revenue (%)	8.2%	7.2%
Annual Change (%)	12.6%	

Source: Consolidated financial statements for the year ended December 31, 2023.

## 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.

The income statement was not charged with any impairment loss on financial assets during the year 2023. This was attributable to the company's assessment of the receivables and the correctness of their realization and management decided that the current provisions were sufficient to cover the expected credit loss.

## 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	2023	2022
Finance cost	8,453,905	4,669,891
As percentage of revenue (%)	1.6%	0.9%
Annual Change (%)	81.0%	

Source: Consolidated financial statements for the year ended December 31, 2023.



Financing costs include loan costs, bank fees, administrative costs in banks, and others. During 2023, financial burdens increased by 81.0% from QAR 4.7 million in 2022 to QAR 8.5 million in 2023. This was primarily due to impact of the increase in interest rates.

The company has different loans that were borrowed to finance business projects at an interest rate ranging from 8.0% to 9.75%, and the maturity of these loans are due upon completing these projects.

## Net profit for the year

Mekdam Holding Group has achieved growth in operating profits, as operating profits before banking interest and depreciation amounted to QAR 46.9 million for the financial year ended on December 31, 2023, compared to QAR 40.5 million for the previous year, with a growth rate of 15.7%. This improvement in operating profits came as a result of the company's ability to maintain revenue levels of QAR 526.0 million and reduce operating costs. Mekdam Holding Group achieved a net profit of QAR 36.4 million for the financial year ended on December 31, 2023, compared to QAR 34.3 million in the corresponding year of 2022 with a growth rate of 6.3%, as the sharp rise in interest rates curbed the growth in net profits.

In QAR	2023	2022
Net profit for the year	36,415,737	34,254,490
As percentage of revenue (%)	6.9%	6.5%
Annual Change (%)	6.3%	

Source: Consolidated financial statements for the year ended December 31, 2023.

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## 8.2 Statement of Financial Position

The following table shows the financial position of the company as of December 31, 2023, and 2022.

In QAR	2023	2022
<b>Assets</b>		
Non-current assets	74,659,807	60,454,275
Current assets	299,104,057	297,196,427
<b>Total assets</b>	<b>373,763,864</b>	<b>357,650,702</b>
<b>Shareholders' equity and Liabilities</b>		
Shareholders' equity	191,713,765	105,133,804
Non-current liabilities	9,316,396	23,492,552
Current liabilities	172,733,703	229,024,346
<b>Total Shareholders' equity and Liabilities</b>	<b>373,763,864</b>	<b>357,650,702</b>

Source: Consolidated financial statements for the year ended December 31, 2023.

As for the financial position of Mekdam Holding Group, the Group has maintained its liquidity levels of 80.0% of its assets, which are current assets. The current ratio (current assets to current liabilities) is 1.73 times. The group also reduced bank financing, as increased operating cash flows and increased capital contributed to reducing bank financing from QAR 124.1 million as of December 31, 2022, to QAR 63.9 million as of December 31, 2023, i.e., a decrease of 48.5%. As for net bank indebtedness (bank loans minus cash and bank balances), it decreased from QAR 102.4 million as of December 31, 2022, to QAR 38.6 million as of December 31, 2023, i.e. a decrease of 62.3%. It is worth mentioning that bank financing is granted to the company in the form of projects financing that ends with the implementation of these projects and their delivery to customers.

### 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, 2022, to 2023, except for the addition of vehicles, computers, servers, and other auxiliary devices during 2023 worth QAR 1.8 million in line with the expansion in the volume of business that the Group plans in the coming years. The Group is constructing accommodation for staff by spending QAR 6.2 million during FY 2023, the accommodation is completed by end of the year.

In QAR	2023	2022	Annual Change (%)
Land	27,272,000	27,272,000	---
Building	6,087,285	-	---
Motor vehicles	1,723,114	1,761,857	(2.2%)
Furniture, fixtures, and office equipment	894,859	1,235,038	(27.5%)
Tools and equipment	988,978	559,218	76.9%
Capital work-in-process	2,540,457	5,729,374	(55.7%)
<b>Net book value</b>	<b>39,506,693</b>	<b>36,557,487</b>	<b>8.1%</b>
As percentage of total assets (%)	10.6%	10.2%	

Source: Consolidated financial statements for the year ended December 31, 2023.

## 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 16.7 % on December 31, 2023, compared to the same period in the previous year.

In QAR	2023	2022
Cash in hand	5	4
Cash at bank	24,807,022	20,135,291
Cash margin held against bank guarantees - restricted cash	535,488	1,582,537
<b>Total</b>	<b>25,342,515</b>	<b>21,717,832</b>
As percentage of total assets (%)	6.8%	6.1%

Source: Consolidated financial statements for the year ended December 31, 2023.

### Accounts receivable and other debit balances

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 other debit balances decreased by 6.5% on December 31, 2023, from QAR 176.2 million on December 31, 2022, to QAR 164.7 million as of December 31, 2023. The main reason behind this was the decrease in the enhancing collection efforts.

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 management decided not to make additional provisions as the existing provisions would be enough to cover the expected credit loss.

The total receivables that are not past due over 30 days represented 72.8%, the total receivables due between 31 to 60 days represented 5.7%, and the total receivables due between 61 to 90 days represented 4.1% of the total receivables as of December 31, 2023. The total receivables that are past their due date by more than 90 days including government sector represented 17.4% out of which private sector share of more than 90 days represents 16.8% of the total receivables.

In QAR	2023	2022	As percentage of total receivables (%) 2022
Less than 30 days	122,317,870	136,135,042	72.8%
31 - 60 days	9,528,871	5,691,176	5.7%
61 - 90 days	6,891,423	6,454,040	4.1%
Above 90 days	18,052,715	11,157,801	10.7%
Past dues- more than 90 days	11,266,272	9,250,000	6.7%
<b>Total</b>	<b>168,057,151</b>	<b>168,688,059</b>	<b>100.0%</b>
Other debit balances	7,875,137	16,739,537	
Past dues impairment provision	(11,266,272)	(9,250,000)	
<b>Total</b>	<b>164,666,016</b>	<b>176,177,596</b>	
As percentage of total assets (%)	44.1%	49.3%	

Source: Consolidated financial statements for the year ended December 31, 2023.

### 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 decreased by 6.1% on December 31, 2023, from QAR 62.7 million as on December 31, 2022, to QAR 58.9 million on December 31, 2023. The main reason behind this was the acceleration of business delivery.

In QAR	2023	2022	Annual change (%)
Value of work performed at cost plus attributable profit	983,048,115	757,912,135	29.7%
Billing on contracts in progress	(924,185,912)	(695,215,124)	32.9%
<b>Total</b>	<b>58,862,202</b>	<b>62,697,011</b>	<b>(6.1%)</b>

Source: Consolidated financial statements for the year ended December 31, 2023.

### Related parties' transactions and balances

During 2023, Mekdam Holding Group executed transactions with related parties worth QAR 4.5 million. It also paid major shareholders an amount of QAR 11.0 million, net. It worth mentioning that borrowing from major shareholders is interest-free and aims to strengthen the group's financial position.



## Liabilities

### Loans

The Group obtained bank loans to finance the client projects. Loans decreased by QAR 60.2 million as of December 31, 2023, from QAR 124.1 million on December 31, 2022, to become QAR 63.9 million on December 31, 2023. The main reason behind this decline was the use of operating cash flows and the proceeds of a capital increase in reducing dependency on bank financing.

In QAR	Interest rate	Maturity date	2023	2022
Projects financing	9.75%	2024	62,141,525	118,937,716
Government support loan (Covid-19)	8.00%	2024	1,760,103	5,145,126
<b>Total</b>			<b>63,901,628</b>	<b>124,082,842</b>
As percentage of total shareholders' equity and liabilities (%)			17.1%	34.7%

Source: Consolidated financial statements for the year ended December 31, 2023.

### Accounts payable and other credit balances

Accounts payable and other debit balances mainly consist of technology suppliers who provide implementation and other support services. Accounts payable decreased from QAR 123.5 million on December 31, 2022, to QAR 110.0 million on December 31, 2023. The turnover of accounts payable reduced from 101days as on December 31, 2023, to 92 days as on December 31, 2023.

In QAR	2023	2022
Accounts payable and other credit balances	109,954,064	123,492,916
Average turnover days of credits (day)	92	101

Source: Consolidated financial statements for the year ended December 31, 2023.

### 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 from the Group. End-of-service benefits for employees increased by 27.8% from December 31, 2022, to December 31, 2023. The main reason for this was the increase in the number of employees during 2023 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, 2023.

## Shareholders' Equity

In QAR	2023	2022
Share Capital	105,000,000	68,000,000
Legal Reserve	54,908,272	6,281,028
Retained Earnings	31,791,163	30,852,776
<b>Total Shareholders' equity</b>	<b>191,699,435</b>	<b>105,133,804</b>

Source: Consolidated financial statements for the year ended December 31, 2023.

The Group's capital amounted to QAR 105.0 million as of December 31, 2023.

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 subject to extraordinary general assembly's approval.; the reserve represented 52.3% in 2023 compared to 9.2% in 2022 of the Share Capital. This reserve is not available for dividends.

The retained earnings increased from December 31, 2022, to December 31, 2023, due to the increase in profits.

On March 28, 2023, the General Assembly decided to distribute dividends to shareholders at 45.3% of the company's capital, so that cash dividends would be distributed to shareholders at 35% of the company's capital, with a total amount of QAR 23.8 million, and bonus shares would be distributed to shareholders at 10.3% by increasing the company's capital by QAR 7.0 million, to become QAR 75.0 million instead of QAR 68.0 million, by transferring an amount of QAR 7.0 million from retained earnings to capital.

Extraordinary General Assembly approved the capital increase on September 10, 2023, through rights offering, the capital was increased by QAR 30 million, bringing the company's capital to QAR 105 million. The subscription process witnessed an unprecedented turnout, as the subscription rate reached approximately 98%, while unsubscribed shares were sold through the Qatar Stock Exchange on the same day it was offered. The Board confirmed that the timing of the capital increase is appropriate to support the company's continuous growth. Where a group of large projects have been awarded recently to the company. In preparation for strategic expansions, the Extraordinary General Assembly canceled the maximum individual ownership limit of 5% and allowed the foreign investor to own 100% of the capital. All other procedures in this regard are under process.

On January 27, 2024, the Board decided to recommend the General Assembly for the distribution of dividends to shareholders at the rate of 28.57% of the Group's capital, so that bonus shares are to be distributed to shareholders at a rate of 6 shares for every 21 shares (i.e., approximately equivalent to 0.2857 share for each share) by increasing the Group's capital by QAR 30.0 million to become QAR 135.0 million from QAR 105.0 million. The Group will increase the capital by transferring an amount of QAR 30.0 million from the retained earnings.

### 8.3 Cash Flows

The following table summarizes the status of cash flows for periods that ended on December 31, 2022, and 2021.

In QAR	2023	2022
Net cash generated from (used in) operating activities	18,507,904	(65,562,043)
Net cash (used in) investing activities	(4,866,232)	(7,163,054)
Net cash (used in) generated from financing activities	(8,969,941)	86,917,086
Net increase /(decrease) in cash and cash equivalents	4,671,732	14,191,989
Cash and cash equivalents - at January 01,	20,135,295	5,943,306
<b>Cash and cash equivalents - at December 31</b>	<b>24,807,027</b>	<b>20,135,295</b>

Source: Consolidated financial statements for the year ended December 31, 2023.

#### Net cash flows from operating activities

As a result of increasing operational efficiency in project implementation, the cash flow from operating activities has impacted positively.

#### Net cash flow from investment activities

Net cash flows from investment activities represent the investment in office equipment and capital work in progress representing the construction of accommodation for staff amounted QAR 4.9 million during 2023.

#### Net cash flow from financing activities

Operating flows, supported by the increase in capital, contributed to reducing banking facilities while maintaining the level of business.

### 8.4 Net Financial Loans

The following table exhibits the net financial loans of Mekdam Holding Group as of December 31, 2023, and 2022, which were extracted without any major change from the combined financial statements.

In QAR	2023	2022
Cash and cash equivalents	(25,342,515)	(21,717,832)
Current financial loans	63,901,628	119,531,430
<b>Net current loans</b>	<b>38,559,113</b>	<b>97,813,598</b>
Non-current financial loans	-	4,551,412
<b>Net financial loans</b>	<b>38,559,113</b>	<b>102,365,010</b>

Source: Consolidated financial statements for the year ended December 31, 2023.

### 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.

## 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. Moreover, at Mekdam we incorporate ESG considerations into investment decision making which helps in reducing and managing risks thereby encouraging more sustainable and ethical business practices.

#### 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. Moreover, the key areas of Qatar's National Vision are reducing reliance on hydrocarbons, advancing the use of renewable energy, improving public health and education, and upgrading infrastructure along with the few others that are listed below.

- 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 management and the Audit & Risk Committee has the following responsibilities:

- Oversee the Group's ESG strategy, policies, and business processes.
- Developing and implementing sustainable business practices, reporting on Mekdam's ESG performance and monitoring external disclosures are in compliance with international standards and best practices.



- Managing Mekdam's carbon footprint and working towards reducing those emissions.
- Fostering employee engagement programs and providing training on ESG related issues.
- Promoting diversity, equity, and inclusion both within the Group and throughout its supply chain through various initiatives.
- Ensure that the group follows all applicable laws and regulations such as emissions reporting, human rights, labor laws, 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 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 in their 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.

## 9.4 Environmental Factors

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



Mekdam recognizes the magnitude of the impact of climate change and is taking steps to reduce its carbon footprint and promote sustainability in all its operations. These actions play a vital role in combating climate change and creating a more sustainable future. The Group aims at improving its energy efficiency and reducing waste year on year by setting achievable targets, by implementing energy-saving technologies and optimizing processes.

Moreover, Mekdam is effectively and efficiently committed towards disposing of electronic waste through approved third parties. Mekdam recognizes the potential dangers of electrocuting risks and other hazards at the site and takes necessary precautions to maintain safe working conditions. This includes providing Personal Protective Equipment (PPE), adhering to toxicological guidelines, and providing ongoing training and awareness sessions.

Heat stress poses a constant threat to the well-being of workers. To mitigate this risk, the Group has made it mandatory for workers to take regular breaks in addition to PPE kits, shelters, and other measures for the safety of the workers. Despite these precautions, there is always a possibility of fatalities and injuries. To address this, the Group has established a team of well-trained first responders and firefighters who will be always on site to manage any emergencies.

In addition, the Group constantly monitors the situation and provides training to workers in accordance with government guidelines.

## 9.5 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's commitment to integrating social factors into their strategy and decision-making process, serves as a tool for various stakeholders. The Group recognizes that the social factors represent the expectations and standards of corporate social responsibility and sustainability. By considering these social sustainability standards, Mekdam aims to position itself as a responsible corporate citizen and build trust and credibility with stakeholders.

Mekdam emphasizes the importance of maintaining safe and healthy work environment for its employees, particularly in the context of the COVID-19 pandemic and new variants. The Group is proactive in its efforts to prevent the spread of the new variants and aligns itself with the government rules and regulations. This demonstrates Mekdam's commitment to the well-being of its employees and its dedication to responsible business practices. By prioritizing employee health and safety, Mekdam is positioning itself as a responsible employer and building trust and credibility with its employees and stakeholders.

## 9.6 Social Factors

Social factors are considered to be an important aspect of a company's sustainability and long-term success which are as follows:

- Health, safety, and wellbeing.
- Human Capital/Employee Relations.
- Employee rights.
- Equal employment opportunities and diversity.
- Responsible procurement & Supply chain.
- Community engagement.
- Ethical Business Conduct.



Mekdam carefully evaluates the employee rights, interests and wellbeing along with other factors such as workplace health and safety, working standards, other issues that impact employee welfare etc. Additionally, Mekdam strives to maintain good relations with its clients and the wider community, which demonstrates its commitment to responsible and ethical business practices.

### Cultural Activities

Mekdam is actively engaged in promoting social and cultural activities for individuals of all nationalities, highlighting its commitment to fostering a diverse and inclusive environment. Our aim is to demonstrate the corporate social responsibility and promote cultural understanding and appreciation among our employees and the community. Also, these initiatives foster positive reputation as well as attract and retain diverse workforce.

### Volunteering work

The commitment of Mekdam Holding Group employees to social responsibility is demonstrated by participating in the Formula 1 Qatar Grand Prix in 2023, which was held at the Losail Circuit. Not only that, but they also participated in endurance races organized by the Endurance Racing Club, at the Marathon Village in Sealine, and the company provided support by providing employees with flexible work schedules. This commitment, whether from the company or by employees, contributed to the formation of a positive institutional and social culture.

### Employee Engagement

Mekdam Holding Group places a high priority on evaluating and addressing important issues that affect the employee rights, well-being, and interests. This includes regularly monitoring and improving its workplace health and safety track record as well as ensuring compliance with labor standards. Additionally, the company also provides various employee welfare activities such as supporting professional development and training, mentoring programs, employee recognition and reward programs etc .

By taking a comprehensive approach to assessing these issues, Mekdam demonstrates its commitment to creating a positive and responsible corporate culture. Mekdam is also in the process of building a labour camp for its employees along with various facilities such as recreational facilities which includes indoor games, outdoor games, Medical Facilities such as yearly medical check up and many more welfare activities are planned.

## 9.7 Pandemic Management Strategy

At Mekdam, from past pandemic experiences around the world, we maintain constant awareness of any unplanned events that may cause business interruptions. There are several strategies developed by Mekdam to proactively address any unforeseen circumstances, ensuring the well-being of our staff and the continuity of the business operations. The factors that help the Group to maintain its market dominance are:

- Risk Assessment and monitoring for employees.
- Legal and regulatory compliances.
- Emergency Drills.
- Closed monitoring to vulnerable people.
- Vaccination program (Flu vaccine, Covid-19 vaccine).
- 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.

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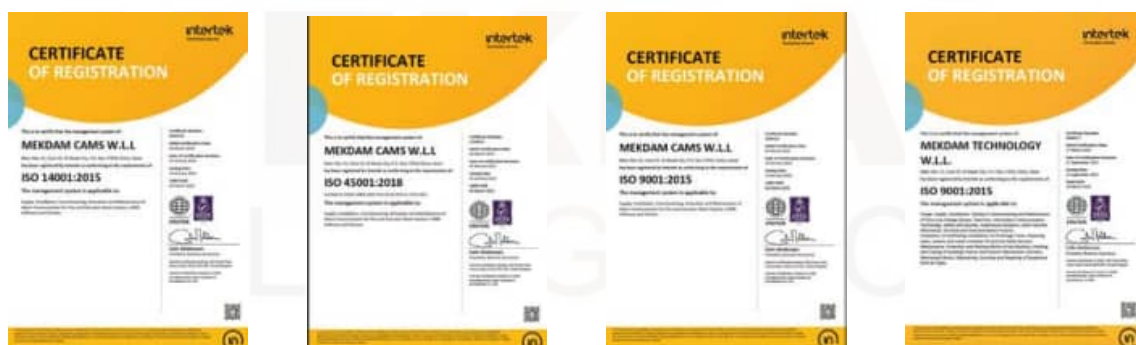


## 9.8 Integrated Management System

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.
- Meets the requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO/IEC 27001:2013.



## 9.9 Governance

Governance is a key component of Environmental, Social, and Governance (ESG) reporting, however, these factors relate to Mekdam's management and decision-making processes, as well as its overall accountability and transparency.

Governance factors provide information about its management structure, leadership, and decision-making processes, including details about its board of directors, executive management, and shareholder rights in its governance charters. It also outlines the policies and measures put in place to prevent conflicts of interest and promote ethical behavior. By including these governance factors, Mekdam demonstrates its commitment to responsible business practices and provides stakeholders with valuable information about its management structure and decision-making processes. Moreover, below stated are some of the Governance principles such as:

- Mekdam adheres to corporate governance practices that comply with all relevant regulations and align with relevant policies and guidelines.
- Our Code of Business Conduct and Ethics is based on our Guiding Principles, which are an integral part of all our interactions and will always be upheld without exception.
- Mekdam's Board of Directors has implemented Corporate Governance Guidelines, which include a written directive for the Board, established multiple policies, and approved written charters for all of its committees.

The annual report includes a detailed report on corporate governance (Section 13).



## 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 regard 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 and Risk 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 term & 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 the Board of Directors through the Audit and Risk Committee, hence ensuring the independence of the audit function. The approved Audit Charter elaborates the duties of Audit and Risk 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 on 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 regard to our entry to the Qatar Stock Exchange, year 2023 was very challenging and eventful for MEKDAM in several ways. After the successful listing on the venture market and as a result of the outstanding performance and absolute commitment to the requirements of the regulatory authorities, Mekdam Holding Group was able to transfer the listing of its shares from the venture market to the main market on January 2, 2023. Based on that, Mekdam 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. Mekdam Holding Group has been awarded with many new infrastructure development projects across the country and most of them are expected to be completed in the fiscal year 2023. These projects need many resources to invest and therefore strict adherence to internal controls is also required. The Internal Audit Department is aware of the risks faced by the Group and it is well equipped to meet these challenges. The 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 focuses on helping the Board and Executive Management 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 2023 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, 2023.

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



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#### INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT

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, 2023 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, 2023, based on the framework issued by the Committee of Sponsoring Organisations 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 section (11) of the 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, 2023, based on the criteria established in the Internal Control- Integrated Framework 2013 issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO framework"). 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;

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## INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT (CONTINUED)

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

- 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 section (11) of the 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
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.





## INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT (CONTINUED)

### Reporting on internal controls over financial reporting (Continued)

Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives in section (11) of the Annual 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 behaviour 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

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

### 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, 2023 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.





## INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT (CONTINUED)

### Opinion

In our opinion, the Management's Internal Control Statement set out in disclosure twelve of the Corporate Governance 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, 2023.

For Russell Bedford & Partners  
Certified Public Accountants



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



Doha – Qatar  
January 27, 2024

## **13 - Governance Report 2023**

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### INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

To the Shareholders  
Mekdam Holding Group – Q.P.S.C.  
Doha – Qatar

#### **Report on compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislations including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market.**

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 limited assurance engagement over Board of Directors' assessment of compliance of Mekdam Holding Group – Q.P.S.C. referred as the "Company" with the QFMA's law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") as of December 31, 2023 as noted in the Board of Director's Corporate Governance Report (Corporate Governance Report), excluding provisions listed under Other information section of this report.

#### **Responsibilities of the directors and those charged with governance**

The Board of Directors of the Company are responsible for preparing the accompanying Corporate Governance Report that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with 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 and preparing the, 'Report on compliance with the QFMA's law and relevant legislations, including the Code', as set out in Section (13) of the Annual Report (Corporate Governance Report) excluding disclosure on Corporate Social Responsibility.

#### **Responsibilities of the Assurance Practitioner**

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Board of Directors' Governance Report on compliance with the QFMA's law and relevant legislations, including the Code" presented disclosures in Section (13) of the Annual Report (Corporate Governance Report) excluding disclosure on Corporate Social Responsibility do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

#### **Reporting on compliance with QFMA's law and relevant legislations, including the Code**

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 limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole, is not prepared in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances.





## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT (CONTINUED)

### Reporting on compliance with QFMA's law and relevant legislations, including the Code (Continued)

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance opinion about whether the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole has been prepared, in all material respects, in accordance with the 's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies of the Company, and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these Requirements. This included analyzing the key processes and controls for reporting compliance with the Requirements;
- Considered the disclosures by comparing the contents of the Corporate Governance Report against the requirements of Article 4 of the Code;
- Agreed the relevant contents of the Corporate Governance Report to the underlying records maintained by the legal and compliance department of the Company;
- Performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the Requirements, and observed evidences gathered by the Company's management and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

### 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 behaviour 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 (ISQC) 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.

### Inherent limitations

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Governance Report and the methods used for determining such information.

### Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code' presented in Section (13) of the Annual Report (Corporate Governance Report) the ("Directors' Statement") which we obtained prior to the date of this assurance report.



## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT (CONTINUED)

### Other information (Continued)

Our conclusion on the Board of Director's Corporate Governance Report on compliance with applicable QFMA laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon. In connection with our assurance engagement on the applicable sections of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this 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, 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.

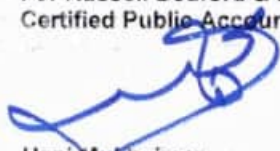
If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

### Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' report on compliance with QFMA's law and relevant legislations, including the Code, as presented in the Board of Director's Corporate Governance Report, do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at December 31, 2023.

For Russell Bedford & Partners  
Certified Public Accountants



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



Doha – Qatar  
January 27, 2024



## **The Basis of Preparing the Corporate Governance Report for the year 2023**

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. As a result of the outstanding performance and absolute commitment to the requirements of the regulatory authorities, Mekdam Holding Group was able to transfer the listing of its shares from the venture market to the main market on January 2, 2023. The Corporate Governance Report for the year 2023 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 is regularly reviewing and updating the Governance applications, commits to applying the best principles of Governance, upholding the values of the Group's corporate social responsibility, and placing 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 review and update 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 2023 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 of Directors consists of (8) eight members. It is worth noting that (7) seven members of the Board of Directors were appointed through the Constituent General Assembly held on July 4, 2021, for a period of (5) five years as the first Board of Directors, and Eng. Tariq Bader Al-Sada was elected through the Ordinary General Assembly held on March 27, 2022, for a period of (3) three years. Mr. Saleh Mohammed Al-Nabet was also elected through the Ordinary General Assembly held on September 10, 2023 to complete the remaining term of the resigned member's membership. Three (3) 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 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

#### Sheikh Mohamed Nawaf NBK Al Thani

Sheikh Mohamed bin Nawaf bin Nasser bin Khaled 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 the University of Aberdeen with a Master of Business Administration (MBA) and also graduated from the Britannia Royal Naval College (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 Deputy CEO 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 of 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 as the 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 is currently a member of the Board of Directors at Al Faleh Educational Holding Q.P.S.C. 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.

**Eng. Tariq Bader Al-Sada**

Eng. Tariq Al-Sada started his career in 1994 working for the Ministry of Information and Culture in Qatar, responsible for the engineering coordination affairs for radio and television transmission and microwave stations. In 1996, he served the Ministry of Electricity and Water in which he was coordinating the telecom projects (SCADA). In 1998, he joined Ooredoo, where he worked for 20 years, during which he assumed several responsibilities, including but not limited to, supervising Organizational Communication, Mobile Stations, Head of Maintenance and Installation of PABX department, Manager of Network Operations Center (NOC), Senior Manager of the Corporate Operations, and Divisional Manager of Projects and Contracts in Business Solutions. Since 2018, Eng Tariq has devoted himself to running his own business. Eng Tariq holds a bachelor's degree in Electrical and Electronics Engineering from the University of Evansville, Indiana, the USA, and a master's degree in Business Administration from Northampton University, United Kingdom.

**Mr. Saleh Mohammed Al-Nabet**

Mr. Saleh has more than 50 years of professional experience in many fields. He worked in the government sector in the Ministry of Interior for more than 30 years, where he participated in many training and military courses. He retired with the rank of lieutenant colonel, where he worked as a battalion chief for the Minister of Interior. After retirement, Mr. Saleh devoted himself to managing his own investments in various fields.

## 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 4/7/2021 until 3/7/2026:

Name	Position	Membership Position
Sheikh Mohamed Nawaf NBK Al Thani	Chairman	Non-Independent / Non-Executive
Sheikh Jassem Nawaf NBK Al Thani	Vice Chairman	Non-Independent / Non-Executive
Mr. Hassan Matar Al-Suwaidi	Board Member	Independent
Mr. Jassem Sultan Al-Rumaihi	Board Member	Independent
Mr. Rajesh Menon	Board Member	Independent
Eng. Tariq Bader Al-Sada	Board Member	Non-Independent / Non-Executive
Mr. Saleh Mohammed Al-Nabet	Board Member	Non-Independent / Non-Executive
Mr. Ehab Naser	Board Member / CEO	Non-Independent / 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, key business plans and risk management policy and 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 Commercial Companies Law No. (11) of 2015, as well as 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 of 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 therewith.
  - 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.



## Board of Directors' Meetings Attendance

The Board of Directors have convened eight (8) 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 2023								
Member Name	First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth
	January	March	April	June	July	September	October	December
	28	11	20	17	22	19	21	17
Sheikh Mohamed Al Thani	Present	Present	Present	Present	Present	Present	Present	Present
Sheikh Jassem Al Thani	Present	Present	Present	Present	Present	Present	Present	Present
Mr.Hassan Al-Suwaidi	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Jassem Al-Rumaihi	Present	Present	Present	Present	Present	Present	Present	Present
Mr.Rajesh Menon	Present	Present	Present	Present	Present	Present	Present	Present
Eng. Tariq Al-Sada	Present	Present	Present	Present	Present	Present	Present	Present
Mr.Narinder Singh*	Present	Present	Present	Present	---	---	---	---
Mr. Saleh Al-Nabet*	---	---	---	---	---	Present	Present	Present
Mr. Ehab Naser	Present	Present	Present	Present	Present	Present	Present	Present
<b>Attendance</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Mr. Saleh Mohammed Al-Nabet was elected through the Ordinary General Assembly held on September 10, 2023 to complete the remaining term of the resigned member's membership.

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 excreting due diligence and care in managing the Group in an effective and productive manner to achieve the interest of the Group, partners and shareholders, as well as to maintain the public interest and develop investment in Qatar and community development.

In this context, the Board of Directors assumes basic responsibilities and duties, including:

- Vision and strategy: includes defining the group's vision and objectives, which are considered the basis for all actions and decisions taken by the board and management.
- Management oversight: includes appointing and defining the duties and powers of the CEO, evaluating his performance and determining his rewards, and nominating members of the Board of Directors and senior officials in the group.
- Finance and investment: includes reviewing and approving the group's financial reports.
- Governance and adherence to systems: This includes reviewing and approving corporate governance rules in the group and defining governance guidelines.
- Communication with stakeholders: includes supervising shareholders' reports and communication methods.
- Annual training: approving the annual plan for training and education in the group.
- Directing the Board of Directors: Procedures are put in place to guide the new members of the Board of Directors about the company's business, especially in the financial and legal aspects, in addition to training them when necessary.

## 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 2023.
- 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 General Assemblies in 2023.
- vi. During 2023, 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.
- vii. 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.

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## Board Committees Emanating from the Board of Directors

### First: Audit and Risk Committee

#### Committee Members

The Audit and Risk Committee was formed 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 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 includes 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 2023

The Committee held (6) six meetings in the year 2023. 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 2023						
Board members	First	Second	Third	Fourth	Fifth	Sixth
	January 28	March 11	April 20	July 22	September 19	October 21
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
<b>Attendance</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## The most important decisions and recommendations

- i. Approve the interim financial statements for 2023 (first, second, and third quarter).
- ii. Approve the 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.



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## Second: Nominations and Remuneration Committee

### Committee Members

The Nominations and Remuneration Committee was formed 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 2023

The Committee held (2) two meetings in the year 2022. 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 2023		
Board members	First	Second
	June 22	September 19
Mr. Jassem Sultan Al-Rumaihi	Present	Present
Sheikh Jassem Nawaf NBK Al Thani	Present	Present
Mr. Hassan Matar Al-Suwaidi	Present	Present
<b>Attendance</b>	<b>100%</b>	<b>100%</b>

## 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. Monitor 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.
8. Review the Board of Directors' nominations.

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 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. Hassan Matar Al-Suwaidi	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 were assigned and the charter 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 2023

The Committee held (2) two meetings in the year 2023. 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 2023		
Board members	First	Second
	April 20	September 19
Mr. Narinder Singh	Present	Present
Sheikh Jassem Nawaf Al Thani	Present	Present
Mr. Ehab Naser	Present	Present
<b>Attendance</b>	<b>100%</b>	<b>100%</b>

### 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 2023, 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 2023.

## **Board Secretary**

Dr. Hussain bin Ali Al-Dosari has been appointed as Secretary of the Board of Directors. 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.

## 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. Mohamad Baraa Sami A Sabha - Group General Manager

Mr. Mohamad has more than 15 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.

### Mr. Banan Suleiman Hussein Serhan

Mr. Banan brings with him a wealth of experience, boasting over 25 years in the finance and operations domain. His extensive expertise includes successfully leading and overseeing financial operations, managing cash flow, cultivating bank relationships, handling investments, acquisitions, mergers, liquidations, launching new business ventures, and converting family business groups into publicly traded companies through Initial Public Offerings (IPOs).

His specialization in investment and contracting businesses, particularly within the Investment Holding Group and Al Jabir Engineering, adds immense value to our organization.



## 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 as of December 31, 2023:

Name	Position	Membership	Ownership %
Sheikh Mohamed Nawaf NBK Al Thani *	Chairman	Personal	59.545%
Sheikh Jassem Nawaf NBK Al Thani	Vice Chairman	Personal	0.167%
Eng. Tariq Bader Al-Sada *	Board Member	Personal	4.232%
Mr. Saleh Mohammed Al-Nabet	Board Member	Personal	2.999%
Mr. Ehab Naser *	Board Member and CEO	Personal	3.345%
<b>Total</b>			<b>70.197%</b>

\* Direct and indirect ownership through minor children

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 2023, 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.

According to the relevant legislation and the company's articles of association, the remuneration of board members should not exceed 5% of the net profit after deducting the legal reserves and distributing a profit of not less than 5% of the company's paid-up capital to shareholders. Accordingly, the Board decided not to calculate a bonus to the Board of Directors, given that no cash distributions to shareholders were recommended.

## 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 about 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 2023, 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 on 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 March 28, 2023, Russell Bedford was approved as one of the candidates based 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 2023 and 2022.

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 their 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 2023, 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.

Mekdam Holding Group was a subject of a systematic defamation campaign through social media prior to its listing on the Qatar Stock Exchange on August 2, 2021, with the intention of negatively influencing financial transactions on the company's shares and shareholders' funds and thwarting the listing process. This campaign targeted a wide range of stakeholders in the company, including customers, suppliers, shareholders, and regulatory bodies.

Based on the above, Mekdam Holding Group filed a legal complaint against an anonymous person with the Public Prosecution. The prosecution's investigations concluded that the Ahmed Khaled Mohammed Ali Al Thani is the accused party where he created several sites on social media under the name (Al Thani Human Rights) and (Al Thani Council of the Ruling Family) to support his false claims. Accordingly, he was convicted and sentenced to one year imprisonment, a fine of QAR 5.0 million, along with blocking the social accounts used to commit the crimes. The Public Prosecution was not satisfied with the ruling, so it appealed to increase the punishment for the accused person, in accordance with the articles of accusation contained in the referral order, in view of what he did and the serious damage to the company, which extended to the financial market, defaming it, and damaging its reputation locally and internationally. On May 9, 2023, the Misdemeanor Court of Appeal ruled to accept the appeal in form and uphold the ruling. The Public Prosecution appealed the ruling to the Court of Cassation - Criminal Circuit, which ruled on September 19, 2023, not to accept the appeal.

In order for the Board of Directors to protect the shareholders' rights, Mekdam Holding Group filed a civil lawsuit registered under No. 788/2023 dated September 19, 2023, with the aim of obliging the defendant to pay an amount of QAR 107,500,000 in compensation for the losses incurred during the period from August 2, 2021 to December 31, 2021, as well as compensation in the amount of QAR 50,000,000 as compensation for material and moral damages and for loss to the company and shareholders.



On November 1, 2023, the Investment and Trade Court ruled that the Investment and Trade Court had no specific jurisdiction to hear the case. Accordingly, the case was filed before the Civil Court on November 5, 2023, No. 792-2023, to consider the merits of the case.

On December 12, 2023, the civil court ruled to suspend the case until criminal ruling No. (1023) of 2023 became final.

### **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 2023, 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 2023, Mekdam Holding Group executed transactions worth QAR 4.5 million. It also paid major shareholders an amount of QAR 11.0 million, net. It worth mentioning that borrowing from major shareholders is interest-free and aims to strengthen the group’s financial position.

### **Legal Issues**

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 2023, 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 shareholder’s rights based on the right granted to it under the Articles of Association, Mekdam Holding Group filed three (3) lawsuits against third parties, and judgments were issued in this lawsuit in favor of the group. The remaining value to be collected from these cases is QAR 2.9 million.

There is one lawsuit against the Group at the end of 2023 demanding an amount of QAR 1.5 million in addition to compensation. This case arises from the execution of a subcontracting agreement. The case is currently being considered before the Investment and Trade Court. In the opinion of the company’s legal advisor, the possibility of the Group losing this lawsuit is small.



## 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 2023. As a result, the Group discloses information of interest to the Group's shareholders, investors, and stakeholders. 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 Chief Financial Officer's email address "m.mudassir@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. 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 that 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, 2023.

## Major Shareholders

The following are the major shareholders who own more than (5.0%) of the company's capital:

Name	Nationality	Number of shares	Ratio
Sheikh Mohamed Nawaf NBK Al Thani *	Qatari	62,521,972	59.5%
Other Shareholders		42,478,028	40.5%
<b>Total</b>		<b>105,000,000</b>	<b>100.0%</b>

\* 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 fix the deadlines to decide on appeals and response to complaints and proposals.

MEKDAM  
HOLDING GROUP

## 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 2023:

Date	Event
January 2	Transfer the listing to the Main Market
March 28	Holding the ordinary and extraordinary general assembly. The general assembly approved to distribute 35% cash dividends and 10.29% bonus shares. It was also approved to increase the capital to QAR 75 million instead of QAR 68 million.
June 11	Signing an agreement with Qatar Petrochemical Company (QAPCO) Q.P.J.S.C. to supply engineering manpower for an amount of QAR 58 million.
June 11	Holding an extraordinary general assembly. It was approved to increase the Group's capital by 40% (from QAR 75 million to QAR 105 million) by offering 30 million ordinary shares for private subscription to Mekdam Holding Group shareholders and those who have rights to subscribe at a rate of (2) two shares for every ( 5) five shares owned. The subscription price for the new shares was QAR 2.51 (QAR 1.00 nominal value plus QAR 1.51 issuance premium) for each share.
June 18	Announce the opening of nomination for membership of the Board of Directors for one member only, for a period of three years from 2023 to 2026, to complete the remaining period of the resigned board member.
July 2	Signing an agreement with Qatar Petrochemical Company (QAPCO) Q.P.J.S.C. to provide skilled manpower in various disciplines for an amount of QAR 175 million.
July 8	Signing an agreement with Public Works Authority (Ashghal) to provide skilled manpower for Drainage Network Operation & Maintenance for an amount of QAR 185.4 million.
July 18	Announce the closure of the period for nomination for the membership of the BoD.
August 7	Announce the end of the subscription period, which extended from Tuesday 25-07-2023 to Monday 07-08-2023. The subscription rate exceeded 97.85% of the offered shares.
August 10	Announce assigning (QNB Financial Services) as a liquidity provider in addition to the current liquidity provider (The Group).
August 14	Announce that Mekdam Holding Group completed the sale of the unsubscribed shares, amounted to 642,899 shares, through the Qatar Stock Exchange. The sale took place at an average price of QAR 5.00, before deducting the broker's commission.
September 10	Holding the ordinary and extraordinary general assembly. The general assembly approved the appointment, by acclamation, of Mr. Saleh Mohammed Al-Nabet as a member of the Board of Directors for a period of three years from 2023 to 2026, to complete the remaining term of the resigned member. The procedures for increasing the company's capital by an amount of QAR 30.0 million through private subscription were also approved, and the amendment of the article of association was approved accordingly.
November 21	Holding an extraordinary general assembly. The following resolution were approved: 1. Approved the cancelation of the maximum ownership percentages stipulated in Article No. (21) of the Articles of Association: "Except for the founders of a company, a shareholder may not own either directly or indirectly more than 5% of the total Shares of the Company." 2. Approved amending the maximum ownership percentages stipulated in Article No. (21) of the Articles of Association so that it becomes "Non-Qatari investors may own up to 100% of the Company's Share Capital." Instead of the current text, "Non-Qatari investors may own no more than 49% of the Company's Share Capital."
December 13	The Qatari Cabinet approved a bill that allow non-Qatari investors to own up to 100% of the company's capital.



## 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. One of its social initiatives was to contribute to sponsoring the endurance championships, 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). This is done by providing cash and in-kind contributions to Qatar Endurance Club. 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 over generations as one of the constants of the original Arab values and culture.

As a result of this initiative, Sheikh Mohamed Nawaf NBK Al Thani was honored in his capacity as Chairman of the Board of Directors of Mekdam Holding Group by His Highness the Emir of the State of Qatar (may Allah protect and preserve him).



## **14 - Financial statements**



## Russell Bedford & Partners

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### INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS**  
**MEK DAM HOLDING GROUP – Q.P.S.C.**

#### Report on the audit of the consolidated financial statements

##### **Opinion**

We have audited the accompanying consolidated financial statements of Mekdam Holding Group – Q.P.S.C. (the "Parent Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of profit or loss and other comprehensive income, consolidated changes in shareholders' equity and consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, 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 (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key audit matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters 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><b>Revenue recognition and impairment of financial assets and contract assets - refer to notes (3/o), (3/p), (3/t), 10, 18, of the consolidated financial statements</b></p> <p>We focus on these areas because:</p> <ul style="list-style-type: none"> <li>The group generates revenue of QAR. 525,985,159 (2022: QAR. 526,984,257) from the diversified revenue streams mainly from: <ul style="list-style-type: none"> <li>a) Technology services</li> <li>b) Manpower supply services.</li> <li>c) Centralized Alarm Monitoring System services.</li> </ul> </li> </ul>	<p>Our audit procedure on these areas included among others:</p> <ul style="list-style-type: none"> <li>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 for the different sources of revenue of the group.</li> </ul>

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****Key audit matter (Continued)**

DESCRIPTION OF KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR REPORT
<p><b>Revenue recognition and impairment of financial assets and contract assets - refer to notes (3/o), (3/p), (3/t) 10, 18, of the consolidated financial statements (Continued)</b></p> <p>We focus on these areas because:</p> <ul style="list-style-type: none"> <li>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.</li> <li>The group's allowance for impairment of receivables subject to credit risk were QR. 11,266,272 as at December 31, 2023 (2022: QR. 9,250,000), hence a material portion of the consolidated statement of financial statement position.</li> <li>Expected credit loss assessment for financial assets and contract assets invoices: <ul style="list-style-type: none"> <li>a) Complex accounting requirements, including assumptions, estimates and judgments underlying the detestation of impairment.</li> <li>b) Susceptibility to board of directors bias when making judgments to determine expected credit loss outcomes; and</li> <li>c) Complex disclosure requirements.</li> </ul> </li> </ul>	<p>Our audit procedure in these areas included among others (Continued):</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of board of director's revenue recognition under IFRS 15 across significant revenue streams for a sample of new contracts entered during the year.</li> <li>Assessing the appropriateness of the key inputs and assumptions used by the board of directors to allocate contract revenue over performance obligations for a sample of new contracts entered during the year.</li> <li>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.</li> <li>Challenging the reasonableness of estimates made regarding the cost completion and profit margins for each contract based on our experiences and industry benchmarks.</li> <li>Assessing whether group's policies and processes for making these estimates are appropriate and are applied consistently to all contracts of a similar nature.</li> <li>Evaluating the reasonableness of board of director's key judgments and estimates made in calculation of expected credit loss.</li> <li>Evaluating the completeness accuracy and relevance of data used in expected credit loss calculation.</li> <li>Evaluating the adequacy of the financial statement disclosure including key assumptions and judgments.</li> </ul>

**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 2023 but does not include the Group's consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be misstated.

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

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### **Other information (Continued)**

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 consolidated financial statements**

Board of directors are responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors 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 consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated 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 Group's 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors regarding, 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.



### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### **Other legal and regulatory requirements**

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

- We have obtained all the 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.
- Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Company; and

We are not aware of any violations of the applicable provisions of the amended QCCL and or the terms of the Group's Articles of Association having occurred during the year which might have had a material effect on the Group's financial position or performance as at and for the year ended December 31, 2023.

For Russell Bedford & Partners  
Certified Public Accountants



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



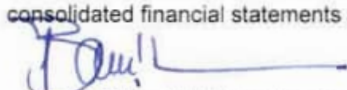
Doha – Qatar  
January 27, 2024

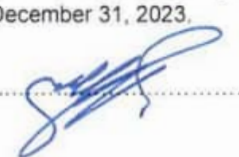
## MEKDAM HOLDING GROUP – Q.P.S.C.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023


		December 31,	
	Notes	2023	2022
		QAR	QAR
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property and equipment	4	39,506,694	36,557,487
Investment in associate	5	-	51,000
Retention receivables	6	35,153,113	23,845,788
<b>Total non-current assets</b>		<b>74,659,807</b>	<b>60,454,275</b>
<b>Current assets:</b>			
Inventories	7	12,467,103	13,318,595
Accounts receivable and other debit balances	8	164,666,016	176,177,596
Advance payments to suppliers and subcontractors	9	35,056,964	23,285,393
Contract assets	10	58,862,203	62,697,011
Due from related parties	11 a	2,709,256	-
Cash and bank balances	12	25,342,515	21,717,832
<b>Total current assets</b>		<b>299,104,057</b>	<b>297,196,427</b>
<b>TOTAL ASSETS</b>		<b>373,763,864</b>	<b>357,650,702</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' equity:</b>			
Share capital	13	105,000,000	68,000,000
Legal reserve	14	54,908,272	6,281,028
Retained earnings		31,791,163	30,852,776
<b>Equity attributable to shareholders of the group</b>		<b>191,699,435</b>	<b>105,133,804</b>
Non-controlling interest		14,330	-
<b>Total equity</b>		<b>191,713,765</b>	<b>105,133,804</b>
<b>Non-current liabilities:</b>			
Due to related parties	11 b	3,000,000	14,000,000
Loans and borrowings	15	-	4,551,412
Provision for employees' end of service benefits	16	6,316,396	4,941,140
<b>Total non-current liabilities</b>		<b>9,316,396</b>	<b>23,492,552</b>
<b>Current liabilities:</b>			
Loans and borrowings	15	63,901,628	119,531,430
Due to related parties	11 b	1,878,011	-
Accounts payable and other credit balances	17	106,954,064	109,492,916
<b>Total current liabilities</b>		<b>172,733,703</b>	<b>229,024,346</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>373,763,864</b>	<b>357,650,702</b>

The Chief Finance Officer and the Chief Executive Officer attest to the accuracy and completeness of the accompanying consolidated financial statements and consolidated financial information of this report as at December 31, 2023.

  
Banan Serhan  
Group CFO

  
Ehab Naser  
Group CEO

The accompany consolidated financial statements were approved to issue by the board of directors on January 27, 2024 and signed on behalf board of directors by:

  
Sheikh Mohamed Nawaf NBK Al-Thani  
Chairman

The accounting policies and notes form an integral part of these consolidated financial statements.





## MEKDAM HOLDING GROUP – Q.P.S.C.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR YEAR ENDED DECEMBER 31, 2023**

	Notes	Year ended December 31,	
		2023 QAR	2022 QAR
Revenue	18	525,985,159	526,984,257
Cost of operations	19	(436,318,778)	(448,310,078)
<b>Gross profit</b>		<b>89,666,381</b>	<b>78,674,180</b>
Other Income		149,195	-
General and administrative expenses	20	(42,921,915)	(38,128,257)
<b>Operating profit for the year</b>		<b>46,893,661</b>	<b>40,545,923</b>
Finance cost	21	(8,453,905)	(4,669,891)
Depreciation	4	(2,024,019)	(1,621,541)
<b>Net profit for the year</b>		<b>36,415,737</b>	<b>34,254,490</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>36,415,737</b>	<b>34,254,490</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the group		36,272,442	34,254,490
Non-controlling interest		143,295	-
<b>Total comprehensive income for the year</b>		<b>36,415,737</b>	<b>34,254,490</b>
Basic earning per share	22	0.430	0.457

The accounting policies and notes form an integral part of these consolidated financial statements.





## MEKDAM HOLDING GROUP – Q.P.S.C.

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR YEAR ENDED DECEMBER 31, 2023

	Attributable to shareholders of the company					Non-controlling Interest	Total
	Share capital QAR	Legal reserve QAR	Retained earnings QAR	Total QAR	Total QAR		
<b>Balance at January 01, 2022</b>	50,000,000	2,855,579	35,523,735	88,379,314	-	-	88,379,314
Transferred to increase share capital (Bonus share)	18,000,000	-	(18,000,000)	-	-	-	-
Dividend distribution	-	-	(17,500,000)	(17,500,000)	-	-	(17,500,000)
Net profit for the year	-	-	34,254,490	34,254,490	-	-	34,254,490
Transferred to legal reserve	-	3,425,449	(3,425,449)	-	-	-	-
<b>Balance at December 31, 2022</b>	<b>68,000,000</b>	<b>6,281,028</b>	<b>30,852,776</b>	<b>105,133,804</b>	<b>-</b>	<b>-</b>	<b>105,133,804</b>
Transferred to increase share capital (Bonus share)	7,000,000	-	(7,000,000)	-	-	-	-
Capital increase (Shares subscriptions)	30,000,000	45,000,000	-	75,000,000	-	-	75,000,000
Dividend distributions	-	-	(23,800,000)	(23,800,000)	(128,965)	(128,965)	(23,928,965)
Net profit for the year	-	-	36,272,442	36,272,442	143,295	143,295	36,415,737
Contribution to social and sports fund	-	-	(906,811)	(906,811)	-	-	(906,811)
Transferred to legal reserve	-	3,627,244	(3,627,244)	-	-	-	-
<b>Balance at December 31, 2023</b>	<b>105,000,000</b>	<b>54,908,272</b>	<b>31,791,163</b>	<b>191,699,435</b>	<b>14,330</b>	<b>14,330</b>	<b>191,713,765</b>

The accounting policies and notes form an integral part of these consolidated financial statements.



## MEKDAM HOLDING GROUP – Q.P.S.C.

**CONSOLIDATED STATEMENT CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31, 2023**

		Year ended December 31,	
	Notes	2023	2022
		QAR	QAR
<b>Cash flows from operating activities:</b>			
Net profit for the year		36,415,737	34,254,490
<b>Adjustments for:</b>			
Depreciation of property and equipment	4	2,024,019	1,621,541
Gain on sale of assets		(55,995)	-
Provisions for employee's end of service benefits	16	2,943,833	2,180,384
Finance cost		8,453,905	4,669,891
<b>Operating income before changes in working capital</b>		<b>49,781,499</b>	<b>42,726,307</b>
<b>Changes in:</b>			
Inventories		851,492	(7,163,317)
Accounts receivable and other debit balances		11,511,579	(85,245,598)
Advance payments to suppliers and subcontractors		(11,771,571)	(8,387,215)
Retention receivables		(11,307,325)	(12,386,117)
Contract assets		3,834,808	(36,512,946)
Due from related parties		(2,709,256)	-
Due to related parties		(9,121,989)	14,000,000
Accounts payable and other credit balances		(2,538,851)	32,842,459
<b>Cash generated from / (used in) operating activities</b>		<b>28,530,386</b>	<b>(60,126,427)</b>
Employees end of service benefit paid	16	(1,568,577)	(765,724)
Finance cost		(8,453,905)	(4,669,891)
<b>Net cash generated from / (used in) operating activities</b>		<b>18,507,904</b>	<b>(65,562,043)</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property and equipment	4	(5,027,232)	(7,112,054)
Proceeds from sale motor vehicle		110,000	-
Movements of investment in associate		51,000	(51,000)
<b>Net cash used in investing activities</b>		<b>(4,866,232)</b>	<b>(7,163,054)</b>
<b>Cash flows from financing activities:</b>			
Net movement in loans and borrowings		(60,181,215)	93,900,215
Dividend distribution		(23,800,000)	(17,500,000)
Dividend distribution - Non Controlling interest		(128,965)	-
Proceeds of share subscriptions		75,000,000	-
Contribution to social and sports fund		(906,811)	-
Net movement in restricted cash		1,047,049	10,516,872
<b>Net cash (used in) / generated from financing activities</b>		<b>(8,969,941)</b>	<b>86,917,086</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,671,732</b>	<b>14,191,989</b>
Cash and cash equivalents - at January 01,	12	20,135,295	5,943,306
<b>Cash and cash equivalents - at December 31,</b>	<b>12</b>	<b>24,807,027</b>	<b>20,135,295</b>



The accounting policies and notes form an integral part of these consolidated financial statements.

**MEK DAM HOLDING GROUP – Q.P.S.C.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023****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.

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.

On January 02, 2023 the Group transferred the listing on the main markets.

On January 10, 2023 Mekdam Technology W.L.L. has entered new formation company with shareholding 65% respective shareholding stake of Mekdam JBK - W.L.L. Subsequent to this share formation, Mekdam Technology W.L.L. holds 65% from the Company's issued share capital.

On February 6, 2023 Mekdam Technology W.L.L. sold its ownership in Mekdam Tech Renaissance JV Trading and Services.

On March 28, 2023 the Extraordinary General Meeting (EGM) of shareholders has approved to increase the share capital by distributing the retained earnings to existing shareholders as bonus shares at the rate of 7 shares for every 68 shares (equivalent to approximately 0.1029 shares per share).

On September 10, 2023 The Extraordinary General Meeting (EGM) of shareholders has approved the increase of the company's capital by an amount of QAR 30.0 million through a private subscription, in accordance with the regulations of the Qatar Financial Markets Authority, such that the company's capital becomes QAR 105.0 million instead of QAR 75.0 million.

On September 10, 2023 The Extraordinary General Meeting (EGM) of shareholders has approved adding the issuance premium to the legal reserve in accordance with the provisions of Article 194 of the Companies Law No. 8 of the year 2021.

Mekdam Technology WLL CR#103277, a 100% owned subsidiary of Mekdam Holding Group was split to segregate extra low voltage and related business activities by incorporating a new company as on 27th Sept 2023. The new company "arising" from split of Mekdam Technology is registered as Mekdam Technology Solutions WLL, new CR#191166. The share capital of the "subject" of the split which is existing company Mekdam Technology is QAR 2,000,000/- whereas the share capital of the new company "arising" from split is QAR 1,000,000/-. Articles of Association of Mekdam Technology is amended accordingly whereas new Articles of Association of new company is issued and validated. The assets, liabilities, revenue, and expenditure under Mekdam Technology are divided into two companies as applicable and financial statements are prepared and presented separately as on 30th sept 2023.

On October 15, 2023 Mekdam Holding Group has entered new formation company with shareholding 70% respective shareholding stake of Mekdam For Trading and Construction W.L.L. subsequent to this share formation, Mekdam Holding Group holds 70% from the Company's issued share capital.

Mekdam Technical Services – W.L.L. CR#103070, a 100% owned subsidiary of Mekdam Holding Group was split to segregate provide travel information to visitors and tourism services and related business activities by incorporating a new company as on 11th Dec 2023. The new company "arising" from split of Mekdam Technical Services is registered as Mekdam Integrated Tourism and Travel W.L.L., new CR#194011. The share capital of the "subject" of the split which is existing company Mekdam Technical Services is QAR 1,800,000/- whereas the share capital of the new company "arising" from split is QAR 200,000/-. Articles of Association of Mekdam Technical Services is amended accordingly whereas new Articles of Association of new company is issued and validated. The assets, liabilities, revenue, and expenditure under Mekdam Technical Services are divided into two companies as applicable and financial statements are prepared and presented separately as on 31th Dec 2023.

"The Consolidated Financial Statements of following entities which are currently fully controlled by Mekdam Holding Group are consolidated in these "Consolidated Financial Statements."



## MEKDAM HOLDING GROUP – Q.P.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

## 1. THE COMPANY FORMATION AND ACTIVITIES (CONTINUED):

NAME OF COMPANY	COMMERCIAL REGISTRATION	YEAR OF INCORPORATION	ACTIVITY NAME	OWNERSHIP
Mekdam Technology – W.L.L.	103277	2017	Extension of electrical networks, information technology consultancy, designing production programs of oil and gas fields, testing and operation the equipment and electrical appliances.	100% Mekdam Holding Group
Mekdam CAMS – W.L.L.	103562	2017	Installation and maintenance of alarm safety materials and equipment.	100% Mekdam Holding Group
Mekdam Technical Services – W.L.L.	103070	2017	Managing and operating the professionals' labours.	100% Mekdam Holding Group
Gulf Security System – W.L.L.	103565	2017	Installation, operation and maintenance of cameras and security surveillance.	<ul style="list-style-type: none"> <li>• 50% Mekdam Technology</li> <li>• 50% Mekdam Technical Services</li> </ul>
Mekdam Integrated Trading and Contracting – W.L.L.	159620	2021	Trade in machinery and light equipment.	<ul style="list-style-type: none"> <li>• 51% Mekdam Technology</li> <li>• 49% Mekdam Technical Services</li> </ul>
Mekdam Steel Services and contracting-W.L.L.	160930	2021	Metal fixture works, electrical and mechanical contracting, installation of wooden doors and door frames.	<ul style="list-style-type: none"> <li>• 51% Mekdam Technology</li> <li>• 49% Mekdam Technical Services</li> </ul>
Mekdam Software Services-W.L.L.	115276	2018	Trade in building materials, computer programs and software designing.	<ul style="list-style-type: none"> <li>• 100% Mekdam Technology</li> </ul>
Makdam JBK W.L.L.	180544	2023	Construction, general contracting, installation, measuring, controlling, repairing equipment, maintenance of alarm and fire safety materials and equipment, electrical cables wiring, installation and controlling electric power transmission equipment	<ul style="list-style-type: none"> <li>• 65% Mekdam Technology</li> <li>• 19% Khalid Jassim Al-Thani Global Technology and Trading</li> <li>• 16% Kamaludeen mohammed Ghazali</li> </ul>
Mekdam Technology Solutions W.L.L.	191166	2023	Technical and professional training for managers and laborers, information technology consultancy, testing and operation of the equipment and electrical appliances, installation, measuring, controlling and repairing equipment and devices, software designing and programming, doing tests and setting the budget, auditing and controlling.	<ul style="list-style-type: none"> <li>• 100% Mekdam Holding Group</li> </ul>



## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 1. THE COMPANY FORMATION AND ACTIVITIES (CONTINUED):

NAME OF COMPANY	COMMERCIAL REGISTRATION	YEAR OF INCORPORATION	ACTIVITY NAME	OWNERSHIP
Mekdam For Trading and Construction W.L.L.	191934	2023	General contracting, building metal nonresidential, buildings, sites, prefabricated buildings on site, residential buildings construction, general electronic, sports fields, mechanical, repairing bridges and tunnels and sewage contracting, installation of tents, scaffoldings, street and airstrips, lighting systems, concrete floors, interlock and marble, excavation, land reclamation and settlement, demolition and removal of buildings.	<ul style="list-style-type: none"> <li>• 70% Mekdam Holding Group.</li> <li>• 30% Salim Ata Salim Jarrar.</li> </ul>
Mekdam Integrated Tourism and Travel W.L.L.	194011	2023	Provide travel information to visitors, tourism services	<ul style="list-style-type: none"> <li>• 100% Mekdam Holding Group.</li> </ul>

The consolidated financial statements were approved and signed on behalf of the Group on January 27, 2024.

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

##### 2 a) New and amended IFRS and IFRIC Interpretations effective in 2023:

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, 2022, except for the adoption of new and amended standards and interpretations effective as noted below:

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"	January 01, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 01, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 01, 2023

##### 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, 2023. However, the Company has not applied the following new or amended standards in preparing these financial statements:

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 01, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 01, 2024
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 01, 2024
Amendments to IAS 21 "Lack of Exchangeability"	January 01, 2025
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture.	Deferred indefinitely

## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 3. SIGNIFICANT ACCOUNTING POLICIES:

##### 3 a) Basis of accounting:

These consolidated financial statements have been prepared on historical cost basis. The entity's consolidated 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 consolidated 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 as amended by law No.82021.

##### 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 consolidated statements of profit or loss and other comprehensive income.

##### 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) 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.

###### iii) 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
Building	20 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) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**MEKDAM HOLDING GROUP – Q.P.S.C.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023****3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):****3 f) Financial instruments (Continued):****i) Initial recognition and measurement**

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date.

**ii) Subsequent measurement**

For the purposes of subsequent measurement, financial assets are classified by the Group as follows:

**Financial assets at amortized cost**

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortised cost includes accounts receivable and certain accounts of other debit balances, contract assets, due from related parties and retention receivables.

**Financial assets at fair value through profit or loss**

The Group's investment in unquoted equity instrument cannot be classified as an instrument within a cash flow and business model to hold to collect solely payments of principal and interest nor held to collect solely payments of principal and interest and sell. Accordingly, as permitted by IFRS 9, the Group has measured the instrument at fair value through profit or loss (FVTPL). Board of directors of the Group used earnings-based valuation methods for valuing its unlisted equity shares and the fair value gains/ losses from this valuation has been recognized directly in the statement of profit or loss.

**iii) Impairment of financial instruments**

The Group recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group considers a financial asset to be in default in case of:

- a) Default or delinquency by a debtor;



## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

##### 3 f) Financial instruments (Continued):

##### iii) *Impairment of financial instruments (Continued)*

The Group considers a financial asset to be in default in case of (Continued):

- b) Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- c) Indications that a debtor will enter bankruptcy; or
- d) Observable data indicating that there is measurable decrease in expected cash flows from a Group of financial assets.

##### **Financial assets measured at amortized cost**

The financial assets at amortised cost comprise of trade receivables and cash at bank 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 certain financial assets at an amount equal to lifetime ECLs.

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

Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days in average past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default.



**MEKDAM HOLDING GROUP – Q.P.S.C.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023****3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):****3 f) Financial instruments (Continued):****iii) Impairment of financial instruments (Continued)****Financial assets measured at amortized cost (Continued)**

A financial instrument is determined to have low credit risk if (Continued):

- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term.
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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 of the financial asset.

**Presentation of impairment**

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**iv) Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest rate method.

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

**v) Derecognition of financial assets and liabilities**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**3 g) Inventories:**

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method for construction materials, spares and merchandise. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

##### 3 h) Construction contracts in progress:

Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured costs incurred plus profits recognized to date less progress billing and recognized losses. In the statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billing and recognized losses are presented as accounts and other receivables. Contracts for which progress billing and recognized losses exceed costs incurred plus recognized profits are presented as deferred income / revenue. Advances received from customers are presented as deferred income / revenue.

##### 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:

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

##### *The Group as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease 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. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in, in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.



**MEKDAM HOLDING GROUP – Q.P.S.C.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023****3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):****3 i) Leases (Continued):*****The Group as a lessor***

The Group's accounting policy under IFRS 16 has not changed from the comparative year. As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**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 board of directors 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 No. 14 of 2004.

**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.

**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.

## MEKDAM HOLDING GROUP – Q.P.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

## 3 o) Revenue recognition (Continued):

*Revenue from contracts with customers (Continued)*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 gives 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 recognized in the statement of profit or loss to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable can be measured reliably.

**Sale of goods**

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

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

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

**Other income**

Revenue is recognized when earned.

## 3 p) Contract balances:

**Contract assets and contract liabilities**

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements.



## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

##### 3 p) Contract balances (Continued):

###### **Contract assets and contract liabilities (Continued)**

The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

##### 3 q) Expenses recognition:

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably. An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

##### 3 r) Current vs. non-current classification:

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

An asset is current when:

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

A liability is current when:

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

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

##### 3 s) Finance income and finance costs:

The Group's finance costs include:

- Interest expense

Interest expense is recognized using the effective interest method.

##### 3 t) Critical accounting judgments and key sources of estimation uncertainty:

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

###### **Going concern**

Board of directors 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, board of directors 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 consolidated financial statements continue to be prepared on a going concern basis.

## MEKDAM HOLDING GROUP – Q.P.S.C.

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

## 3 t) Critical accounting judgments and key sources of estimation uncertainty (Continued):

***Useful lives, residual values and related depreciation charges of property and equipment***

Board of directors determines the estimated useful lives and residual values of its property and equipment to calculate the depreciation. This estimate is determined after considering the expected usage of the asset and intangibles, physical wear and tear. Board of directors reviews the residual value and useful lives annually. Future depreciation charge would be adjusted where board of directors believes the useful lives differ from previous estimates.

***Impairment of financial assets***

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

***Determining the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

***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***

Board of directors has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the relevant labor laws. Board of directors 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 board of directors 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

### 4. PROPERTY AND EQUIPMENT:

	Furniture, fixtures and office equipment QAR	Motor vehicles QAR	Tools and equipment QAR	Building QAR	Land QAR	Capital work-in- progress QAR	Total QAR
<b>Cost:</b>							
Balance at January 01, 2022	4,019,530	2,757,425	471,577	-	27,272,000	167,732	34,688,264
Additions during the year	787,545	278,000	484,867	-	-	5,561,642	7,112,054
<b>Balance at December 31, 2022</b>	<b>4,807,075</b>	<b>3,035,425</b>	<b>956,444</b>	<b>-</b>	<b>27,272,000</b>	<b>5,729,374</b>	<b>41,800,318</b>
<b>Accumulated depreciation:</b>							
Balance at January 01, 2022	466,343	791,040	575,772	-	-	3,194,077	5,027,232
Transferred during the year	-	-	134,796	6,248,198	-	(6,382,994)	-
Disposal during the year	-	(140,000)	-	-	-	-	(140,000)
<b>Balance at December 31, 2023</b>	<b>5,273,418</b>	<b>3,686,465</b>	<b>1,667,012</b>	<b>6,248,198</b>	<b>27,272,000</b>	<b>2,540,457</b>	<b>46,687,550</b>
<b>Accumulated depreciation:</b>							
Balance at January 01, 2022	2,802,171	636,965	182,154	-	-	-	3,621,290
Charge for the year	769,866	636,603	215,072	-	-	-	1,621,541
<b>Balance at December 31, 2022</b>	<b>3,572,037</b>	<b>1,273,568</b>	<b>397,226</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,242,831</b>
Charge for the year	806,522	775,777	280,807	160,913	-	-	2,024,019
Disposals during the year	-	(85,994)	-	-	-	-	(85,994)
<b>Balance at December 31, 2023</b>	<b>4,378,559</b>	<b>1,963,351</b>	<b>678,033</b>	<b>160,913</b>	<b>-</b>	<b>-</b>	<b>7,180,856</b>
<b>Net book value:</b>							
At December 31, 2022	1,235,038	1,761,857	559,218	-	27,272,000	5,729,374	36,557,487
<b>At December 31, 2023</b>	<b>894,859</b>	<b>1,723,114</b>	<b>988,979</b>	<b>6,087,285</b>	<b>27,272,000</b>	<b>2,540,457</b>	<b>39,506,694</b>
Depreciation rates	20 - 35%	20 - 25%	20 - 35%	5%			

## MEKDAM HOLDING GROUP – Q.P.S.C.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023

## 5. INVESTMENT IN ASSOCIATE:

	December 31,	
	2023	2022
	QAR	QAR
Mekdam Tech Renaissance JV Trading and Services	-	51,000
<b>Total</b>	<b>-</b>	<b>51,000</b>

At February 6, 2023 Mekdam Technology W.L.L. sold its ownership in Mekdam Tech Renaissance JV Trading and Services.

## 6. RETENTION RECEIVABLES:

Movement in retention receivables is presented as follows:

	December 31,	
	2023	2022
	QAR	QAR
Balance at the beginning of the year	23,845,788	11,459,671
Movements during the year	11,307,325	12,386,117
<b>Balance at the end of the year</b>	<b>35,153,113</b>	<b>23,845,788</b>

## 7. INVENTORIES:

	December 31,	
	2023	2022
	QAR	QAR
Material stocks	13,677,532	14,529,024
Less : Provision for slow moving and obsolete inventories	(1,210,429)	(1,210,429)
<b>Total</b>	<b>12,467,103</b>	<b>13,318,595</b>

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

	December 31,	
	2023	2022
	QAR	QAR
Balance at the beginning of the year	1,210,429	1,210,429
<b>Balance at the end of the year</b>	<b>1,210,429</b>	<b>1,210,429</b>

## 8. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES:

	December 31,	
	2023	2022
	QAR	QAR
<b>Accounts receivable</b>		
Accounts receivable	168,057,151	168,688,059
Less: Allowance for impairment of receivables (Note 8 c)	(11,266,272)	(9,250,000)
<b>Fair value of accounts receivable</b>	<b>156,790,879</b>	<b>159,438,059</b>
<b>Other debit balances</b>		
Post dated cheques receivable	1,089,714	5,682,052
Prepaid expenses	2,396,753	3,578,175
Due from staff	-	19,009
Security deposits receivable	3,929,842	4,902,913
Other debit balances	458,828	2,557,387
<b>Total accounts receivable and other debit balances</b>	<b>164,666,016</b>	<b>176,177,596</b>



## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

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

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

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

	December 31,	
	2023	2022
	QAR	QAR
i) Aging of neither past due nor impaired		
Up to 30 days	122,317,870	136,135,042
ii) Aging of past due but not impaired		
31 - 60 days	9,528,871	5,691,176
61 - 90 days	6,891,423	6,454,040
Above 90 days	18,052,715	11,157,801
	34,473,009	23,303,017
iii) Aging of past due impaired		
Above 90 days	11,266,272	9,250,000
<b>Total</b>	<b>168,057,151</b>	<b>168,688,059</b>

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

	December 31,	
	2023	2022
	QAR	QAR
Balance at the beginning of the year	9,250,000	9,250,000
Movements during the year*	2,016,272	-
<b>Balance at the end of the year</b>	<b>11,266,272</b>	<b>9,250,000</b>

\* Contingency provisions has been reversed to increase the required impairment receivables as required for the year.

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

#### 9. ADVANCE PAYMENTS TO SUPPLIERS AND SUB-CONTRACTORS:

Movement in advance payments to suppliers is presented as follows:

	December 31,	
	2023	2022
	QAR	QAR
Balance at the beginning of the year	23,285,393	14,898,177
Movements during the year	11,771,571	8,387,216
<b>Balance at the end of the year</b>	<b>35,056,964</b>	<b>23,285,393</b>

#### 10. CONTRACT ASSETS:

	December 31,	
	2023	2022
	QAR	QAR
Value of work performed at cost plus attributable profit	983,048,115	757,912,135
Billings on contracts in progress	(924,185,912)	(695,215,124)
<b>Amount due from customers for contract works</b>	<b>58,862,203</b>	<b>62,697,011</b>

## MEKDAM HOLDING GROUP – Q.P.S.C.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**
**11. RELATED PARTIES TRANSACTIONS:****11 a) Due from related parties**

	December 31,	
	2023	2022
	QAR	QAR
Mekdam Telecom W.L.L.	3,140	-
Consolidated Engineering and Consultancy Services W.L.L.	2,705,863	-
Silverrock consultancy W.L.L.	253	-
<b>Balance at the end of the year</b>	<b>2,709,256</b>	<b>-</b>

**11 b) Due to related parties**

	December 31,	
	2023	2022
	QAR	QAR
<b>Non-current</b>		
Sheikh Mohamed Nawaf NK Al Thani	3,000,000	13,000,000
Ehab Naser	-	1,000,000
<b>Balance at the end of the year</b>	<b>3,000,000</b>	<b>14,000,000</b>

	December 31,	
	2023	2022
	QAR	QAR
<b>Current</b>		
Mekdam Investment WLL	249,045	-
Salim Atta Jarrar	1,500,000	-
Khalid J Al Thani Global Tech	70,010	-
Kamaludeen Mohammed	58,956	-
<b>Balance at the end of the year</b>	<b>1,878,011</b>	<b>-</b>

**11 c) 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,	
	2023	2022
	QAR	QAR
Short term benefits	1,824,400	1,788,000
Post employment benefits	51,835	51,125
<b>Total</b>	<b>1,876,235</b>	<b>1,839,125</b>

**12. CASH AND BANK BALANCES:**

	December 31,	
	2023	2022
	QAR	QAR
Cash in hand	5	4
Cash at bank - Current accounts	24,615,391	20,037,034
- Credit card accounts	191,631	98,257
Cash margin held against bank guarantees - restricted cash	535,488	1,582,537
<b>Total</b>	<b>25,342,515</b>	<b>21,717,832</b>

## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### 12. CASH AND BANK BALANCES (CONTINUED):

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

	December 31,	
	2023	2022
	QAR	QAR
Total cash and cash equivalents	25,342,515	21,717,832
Restricted cash (Cash margin held against bank guarantees)	(535,488)	(1,582,537)
<b>Net cash available for use</b>	<b>24,807,027</b>	<b>20,135,295</b>

#### 13. SHARE CAPITAL:

The Company's issued share capital as per Commercial registration number 115142 is QAR 105,000,000 and is fully paid as at December 31, 2023.

	December 31,	
	2023	2022
	QAR	QAR
Balance at the beginning of the year	68,000,000	50,000,000
Increase during the year	37,000,000	18,000,000
<b>Total</b>	<b>105,000,000</b>	<b>68,000,000</b>

On March 28, 2023 The Extraordinary General Meeting (EGM) of shareholders has approved to increase the share capital by distributing the retained earnings to existing shareholders as bonus shares at the rate of 7 shares for every 68 shares (equivalent to approximately 0.1029 shares per share).

On September 10, 2023, the Extraordinary General Meeting (EGM) of shareholders has approved the increase of the company's capital by an amount of QAR 30.0 million through a private subscription, in accordance with the regulations of the Qatar Financial Markets Authority, such that the company's capital becomes QAR 105.0 million instead of QAR 75.0 million.

#### 14. 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.

On September 10, 2023 The Extraordinary General Meeting (EGM) of shareholders has approved adding the issuance premium to the legal reserve in accordance with the provisions of Article 194 of the Companies Law No. 8 of the year 2021.

#### 15. LOANS AND BORROWINGS:

	December 31,	
	2023	2022
	QAR	QAR
Non current secured bank loans	-	4,551,412
Current portion of secured bank loans	63,901,628	119,531,430
<b>Total bank loans and borrowings</b>	<b>63,901,628</b>	<b>124,082,842</b>

## MEKDAM HOLDING GROUP – Q.P.S.C.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023

## 15. LOANS AND BORROWINGS (CONTINUED):

## 15 a) Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	December 31,	
				2023	2022
				QAR	QAR
Projects financing	QAR	9.75%	2024	62,141,525	118,937,716
Government support loan (Covid-19)	QAR	8.00%	2024	1,760,103	5,145,126
<b>Total</b>				<b>63,901,628</b>	<b>124,082,842</b>

## 16. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS:

	December 31,	
	2023	2022
	QAR	QAR
Balance at the beginning of the year	4,941,140	3,526,480
Provision for the year	2,943,833	2,180,384
Payments made during the year	(1,568,577)	(765,724)
<b>Balance at the end of the year</b>	<b>6,316,396</b>	<b>4,941,140</b>

## 17. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES:

	December 31,	
	2023	2022
	QAR	QAR
Accounts payable	52,227,867	53,123,874
Accrued expenses	9,996,731	13,389,727
Advances received from customers	24,770,252	24,956,084
Retention payable	2,357,756	1,980,422
Provisions	2,683,011	2,816,272
Notes payable	14,275,311	12,380,427
Other credit balance	643,137	846,110
<b>Total</b>	<b>106,954,064</b>	<b>109,492,916</b>

## 18. REVENUE:

	Year ended December 31,	
	2023	2022
	QAR	QAR
Technology services	261,535,490	322,439,701
Manpower supply services	223,815,758	169,008,545
Centralized alarm monitoring system services	22,457,447	19,578,770
Others services	18,176,464	15,957,242
<b>Total</b>	<b>525,985,159</b>	<b>526,984,257</b>

## 19. COST OF OPERATIONS:

	Year ended December 31,	
	2023	2022
	QAR	QAR
Cost of materials and subcontractors	178,813,162	227,259,125
Cost of Labour	194,200,344	149,362,490
Other direct expenses	63,305,272	71,688,462
<b>Total</b>	<b>436,318,778</b>	<b>448,310,078</b>



## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### 20. GENERAL AND ADMINISTRATIVE EXPENSES:

	Year ended December 31,	
	2023	2022
	QAR	QAR
Employees' expenses	28,924,775	25,893,476
Office and occupancy expenses	4,377,221	4,010,261
Business development expenses	2,110,896	1,430,007
Listing expenses	2,555,068	2,896,210
Other expenses	4,953,955	3,898,303
<b>Total</b>	<b>42,921,915</b>	<b>38,128,257</b>

#### 21. FINANCE COST:

	Year ended December 31,	
	2023	2022
	QAR	QAR
Interest expenses	8,453,905	4,669,891
<b>Total</b>	<b>8,453,905</b>	<b>4,669,891</b>

#### 22. BASIC EARNINGS PER SHARE:

	Year ended December 31,	
	2023	2022
	QAR	QAR
Profit for the year attributable to the shareholders of the Group	36,272,442	34,254,490
Weighted average number of shares	84,287,671	75,000,000
<b>Basic earnings per share</b>	<b>0.430</b>	<b>0.457</b>

#### 23. COMMITMENTS AND CONTINGENCIES:

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

	December 31,	
	2023	2022
	QAR	QAR
Performance bond	188,512,142	188,364,092
Advance payment guarantee	24,955,947	25,599,874
Tender bond	46,026,898	36,375,310
Other guarantee	160,000	151,000
<b>Total letter of guarantee</b>	<b>259,654,987</b>	<b>250,490,276</b>
Letter of credit	5,814,207	4,568,233
<b>Total contingencies</b>	<b>265,469,194</b>	<b>255,058,509</b>

## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### 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 consolidated financial statements.

The following tables summarises the performance of the operating segments:

	31-December-2023		Technical Services		CAMS		Others		Adjustments and Eliminations		Total	
	Technology	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Revenue	260,701,938		226,295,790		22,305,716		61,648,191		(44,966,476)		525,985,159	
Gross Profit	32,139,635		34,646,627		17,690,571		45,512,967		(40,323,419)		89,666,381	
EBITD	13,097,877		24,028,689		12,587,967		36,883,256		(39,704,128)		46,893,661	
Net Profit	6,445,704		17,387,149		12,512,915		35,675,156		(35,605,187)		36,415,737	
Finance Cost	(5,911,913)		(6,580,723)		(60,209)		-		4,098,940		(8,453,905)	
Depreciation	(740,259)		(60,817)		(14,843)		(1,208,100)		-		(2,024,019)	
Segment assets	289,362,124		89,856,211		7,329,632		220,178,129		(232,962,232)		373,763,864	
Segment liabilities	179,321,791		43,990,770		3,014,802		23,485,232		(67,762,496)		182,050,099	

## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### 24. OPERATING SEGMENTS (CONTINUED):

31-December-2022	Technology QAR	Technical Services QAR	CAMS QAR	Others QAR	Adjustments and Eliminations QAR	Total QAR
Revenue	322,439,701	172,628,510	19,578,770	49,968,328	(37,631,051)	526,984,257
Gross Profit	38,056,098	21,864,513	16,103,895	37,527,756	(34,878,082)	78,674,180
EBITD	17,088,617	11,649,343	10,843,840	35,318,101	(34,353,978)	40,545,923
Net Profit	9,702,766	9,423,495	10,788,992	34,278,215	(29,938,978)	34,254,490
Finance Cost	(6,889,362)	(2,169,378)	(26,151)	-	4,415,000	(4,669,891)
Depreciation	(496,489)	(56,470)	(28,698)	(1,039,885)	-	(1,621,541)
Segment assets	194,899,848	112,974,425	5,012,166	134,338,568	(89,574,305)	357,650,702
Segment liabilities	141,973,435	78,627,657	3,512,166	28,403,640	-	252,516,898

**MEKDAM HOLDING GROUP – Q.P.S.C.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR YEAR ENDED DECEMBER 31, 2023**
**25. FINANCIAL RISK MANAGEMENT:**

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

- 25 a) Credit risk
- 25 b) Liquidity risk
- 25 c) Market risk
- 25 d) Interest rate risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements. Management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analysed the risks faced by the Company and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**25 a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The carrying amount of financial assets represents the maximum credit exposure.

The tables below detail the credit quality of the Company's financial assets:

	December 31,	
	2023	2022
	QAR	QAR
Trade receivables and other debit balances	164,666,016	176,177,596
Due from related parties	2,709,256	-
Contract assets	58,862,203	62,697,011
Retention receivables	35,153,113	23,845,788
Cash at banks	24,807,022	20,135,291
<b>Total</b>	<b>286,197,610</b>	<b>282,855,686</b>

The Company limits its exposure to credit risk from trade receivables by:

- i) Evaluating the creditworthiness of each counter-party prior to entering into contracts;
- ii) Establishing sale limits for each customer, which are reviewed regularly;
- iii) Establishing maximum payment periods for each customer, which are reviewed regularly; and
- iv) Periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

**Measurement of ECLs**

The table in note 8 b) to the financial statements provides information about exposure to credit risk and ECL for trade and other debit balances as at December 31, 2023 and 2022.

**Cash at banks**

The Company's cash at bank is held with banks that are independently rated by credit rating agencies.

	December 31,	
	2023	2022
	QAR	QAR
Cash at banks	24,807,022	20,135,291



## MEKDAM HOLDING GROUP – Q.P.S.C.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### 25. FINANCIAL RISK MANAGEMENT (CONTINUED):

##### 25 b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management'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 Company's reputation.

The table below summarizes the contractual undiscounted maturities of the Company's financial liabilities at the reporting date.

December 31, 2023

	Contractual cash flows		
	Gross carrying amount	Within one year	1-5 years
	QAR	QAR	QAR
<b>Non-derivative financial liabilities</b>			
Bank borrowings	63,901,628	63,901,628	-
Due to related parties	3,000,000	-	3,000,000
Retention payables	2,357,756	2,357,756	-
Trade and other payables	104,596,309	104,596,309	-
<b>Total</b>	<b>173,855,692</b>	<b>170,855,692</b>	<b>3,000,000</b>

December 31, 2022

	Contractual cash flows		
	Gross carrying amount	Within one year	1-5 years
	QAR	QAR	QAR
<b>Non-derivative financial liabilities</b>			
Bank borrowings	124,082,842	119,531,430	4,551,412
Due to related parties	14,000,000	-	14,000,000
Retention payables	1,980,422	1,980,422	-
Trade and other payables	107,512,493	107,512,493	-
<b>Total</b>	<b>247,575,757</b>	<b>229,024,345</b>	<b>18,551,412</b>

##### 25 c) Market risk

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

##### 25 d) Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

## MEKDAM HOLDING GROUP – Q.P.S.C.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED):

## 25 d) Interest rate risk (Continued)

*Interest rate sensitivity analysis*

The Company is exposed to interest rate risk mainly on bank borrowing and overdrafts. A 1% increase or decrease is used when reporting interest rate risk to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If the interest rates had been 1% higher/lower and all other variables were held constant, the Company's net income would be impacted as follows:

	December 31,	
	2023	2022
	QAR	QAR
Project finance (Note 15)	62,141,525	118,937,716
Government support loan (Covid-19) (Note 15)	1,760,103	5,145,126
<b>Total bank exposure subject to interest rate risk</b>	<b>63,901,628</b>	<b>124,082,842</b>
<b>1% increase / decrease effect on net income</b>	<b>639,016</b>	<b>1,240,828</b>

## 26. CAPITAL RISK MANAGEMENT:

The Company manages its capital to ensure that the Company 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 Company consists of equity, comprising capital, reserves and retained earnings.

## 27. CONTRIBUTIONS TO SOCIAL AND SPORTS FUND:

According to Qatari Law No. 13 of 2008 and the related clarifications issued in January 2010, the Company is required to contribute 2.5% of its consolidated annual net profits to the State Social and Sports Fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in the separate statement of changes in equity.

During the year, the Group allocate an amount of QAR 906,811 to contribute to the Social and Sports Activities Fund.

## 28. EVENTS AFTER THE REPORTING PERIOD:

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the consolidated financial statements.

## 29. 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:

	December 31,			
	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
	QAR	QAR	QAR	QAR
	(Reviewed)	(Reviewed)	(Audited)	(Audited)
Accounts receivable	168,057,151	156,790,879	168,688,059	159,438,059

**MEKDAM HOLDING GROUP – Q.P.S.C.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

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**30. COMPARATIVE FIGURES:**

Certain amounts in the comparative figures of the financial statements and notes to the financial statements have been reclassified to conform to the current year's presentation. Management believes that reclassification resulted to a better presentation of accounts and did not have any significant impact on prior year's net income.

## **15 - The report of the Shariah advisor**



**15 - The report of the Shariah advisor** (Translated from Arabic)

In the name of Allah, the most gracious, the most merciful

**Ali Al-Qaradaghi**

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Fax: 0097444832319

Address: P.O Box 16475 Doha, Qatar

Email: draliq@hotmail.com

Website: www.qaradaghi.com

**The report of the Shariah advisor  
Of Mekdam Holding Group (Q.P.S.C.) for the financial year ending on  
31 December 2023**

Dear Shareholders,

Praise be to the Lord of all worlds. Prayers and peace be upon our Prophet, Muhammad, his family and all of his companions.

Based on the assignment letter, I present to you our report on Shariah Compliance:

**First:** We have monitored the principles used and the contracts related to transactions and applications concluded by the company during the year ending 31/12/2023, which included examining and reviewing the contracts and the followed procedures on the basis of testing each type of operation, reviewing and discussing the financials. We found that they are, entirely, compatible with the provisions of Islamic Shariah. This enabled us to prepare this report for you, bearing in mind that the responsibility for implementation shall be on the executive management.

In our opinion, we see the following:

- A) The contracts, operations and transactions concluded by the company during the year ending 31/12/2023, which we have reviewed, were carried out, entirely, in a manner that does not contradict the principles and provisions of the tolerant Islamic Shariah.
- B) The distribution of profits and the charging of losses on investment accounts are consistent with the basis that we have adopted in accordance with the provisions and principles of the tolerant Islamic Shariah.

**Second:** We would like to inform you that we have calculated the amount of Zakat due on Mekdam Holding Group for the year ending 31/12/2023, as follows:

- A) For those who trade in the company's shares, their Zakat is based on their market value at the end of the year, at a rate of 2.5%.
- B) As for the long-term investor (non-trader), the Zakat on each share is 0.0244. Accordingly, the Zakat on every thousand shares is QAR 24.4 (twenty-four riyals and forty dirhams), i.e. number of shares x 0.0244 = The result is what must be paid.

**Third:** After we confirmed through the consolidated statements, the consolidated statement of financial position, and the consolidated income statement, for the financial year ending on December 31, 2023, and discussed them with the financial department and answered our inquiries, it became clear to us that the company did not take any usurious interest from conventional banks during the year 2023, therefore purification of the company's shares is not required, but the company still depends on usurious borrowing, even if its percentage is reduced.

As we present this report, we pray to Allah the Almighty to bless everyone's efforts to serve the Islamic economy and achieve development in this beloved country in a way that achieves good for all.

This is what must be explained, and may Allah guide us to success!

Peace and Allah's mercy and blessings be upon you.

**Shariah Advisor**

**Sheikh Professor Ali Muhiedin Al-Qaradaghi**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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عَلَى الْقَبْرَةِ دَاغِي

## تقرير المستشار الشرعي

### لمجموعة مقدم القابضة (ش.م.ع.ق) للسنة المنتهية 2023-12-31م

السادة المساهمين الكرام

الحمد لله رب العالمين والصلاة والسلام على المبعوث رحمة للعالمين سيدنا محمد وعلى آله وصحبه وبعد

فبناءً على خطاب التكليف أقدم لحضراتكم تقريرنا الشرعي:

أولاً: لقد قمنا بمراقبة المبادئ المستخدمة والعقود المتعلقة بالمعاملات والتطبيقات التي أبرمتها الشركة خلال السنة المنتهية 2023-12-31م ، والتي اشتملت على فحص ومراجعة العقود والاجراءات المتبعة على أساس اختبار كل نوع من أنواع العمليات ، ومراجعة الميزانية ومناقشتها ، ووجدناها في مجملها متوافقة مع أحكام الشريعة الإسلامية ، مما مكننا من إعداد هذا التقرير لحضراتكم ، علماً أن مسؤولية التنفيذ تقع على عاتق الإدارة التنفيذية.

وفي رأينا :

(أ) أن العقود والعمليات والمعاملات التي أبرمتها الشركة خلال السنة المنتهية 2023-12-31م والتي اطلعنا عليها تمت في مجملها بما لا يتعارض ومبادئ الشريعة الإسلامية السمحاء وأحكامها .

( ب ) أن توزيع الأرباح وتحميل الخسارة على حسابات الاستثمار يتفق مع الأساس الذي اعتمدناه وفقاً لأحكام ومبادئ الشريعة الإسلامية السمحاء .



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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عَلِي الْقُرَّة دَاغِي

ثانياً: أننا قد قمنا بحساب الزكاة المستحقة على شركة مجموعة مقدم القابضة للسنة المنتهية في 2023-12-31م، كالآتي:

(أ) بالنسبة للمتاجر بأسهم الشركة فإن زكاتها تكون في قيمتها السوقية عند حولان الحول بنسبة 2,5%.

(ب) أما بالنسبة للمستثمر طويل الأجل (غير المتاجر) فإن زكاة كل سهم هي 0.0244، وبناء على ذلك فإن زكاة كل ألف سهم هي (24,4 أربعة وعشرون ريال وأربعة دراهم)، أي عدد الأسهم  $\times (0.0244)$  = فيكون الناتج هو الواجب أدائه.

ثالثاً : وبعد تأكدنا من خلال القوائم الموحدة ، وقائمة المركز المالي الموحدة، وقائمة الدخل الموحدة، للسنة المالية المنتهية في 2023-12-31 م ومناقشتها مع الإدارة المالية والإجابة عن استفساراتنا، تبين لنا أن الشركة لم تأخذ أية فوائد ربوية من البنوك التقليدية خلال عام 2023م ، لذلك لا تجب التنقية والتطهير في أسهم الشركة، ولكن الشركة لا زالت تعتمد على الاقتراض الربوي ، وإن قلت نسبته.

ونحن إذ نقدم هذا التقرير ندعو الله تعالى أن يبارك في جهود الجميع لخدمة الاقتصاد الاسلامي وتحقيق التنمية في هذا البلد العزيز بما يحقق الخير للجميع. هذا ما وجب بيانه ، والله الموفق والسلام عليكم ورحمة الله وبركاته

المستشار الشرعي

الشيخ أ.د. علي محيي الدين القره داغي