2023
ANNUAL REPORT

Your Favourite Neighbourhood Retailer

Al Meera الميرة

"In the Name of Allah Most Gracious Most Merciful."

His Highness.
Sheikh Hamad Bin Khalifa Al Thani

The Father Amir

His Highness.
Sheikh Tamim Bin Hamad Al Thani

Amir of the State of Qatar

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ABOUT **AL MEERA**

About us

Founded in 2005, Al Meera Consumer Goods Company (Q.P.S.C.) has set its sights on becoming the premier retail destination in Qatar, dedicated to providing unparalleled shopping experiences. With an unwavering commitment, we have prioritized delivering excellence through top-tier products and services at competitive prices, all while remaining responsive to the evolving needs of our valued patrons.

At Al Meera, excellence is non-negotiable. Our stores uphold the highest benchmarks in quality and service, showcasing a curated selection of fresh, both locally sourced and imported, goods alongside everyday essentials, all offered at exceptional value. Continuously adapting to the dynamic preferences of our diverse clientele, we endeavor to uphold our mission of being Qatar's preferred neighborhood retailer.

Today, Al Meera boasts a network of over 68 hypermarkets, supermarkets, and convenience stores, underpinned by a dedicated workforce that places customer satisfaction above all else. Our ongoing investments in store enhancements, expanded product offerings, employee development initiatives, and network expansion reflect our unwavering commitment to elevating the shopping experience for all.

Central to our enduring success are the foundational pillars of our culture and values, which remain ingrained in every facet of our operations. These principles serve as the cornerstone of our identity, guiding us toward continued excellence and customer-centric innovation.

Vision

"The trusted retailer of choice."

Mission

"Serving customers' daily needs conveniently."

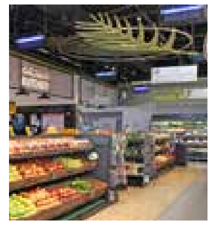
Corporate information and principal activities

Al Meera is listed in the Qatar Stock Exchange with issued capital of 200,000,000 shares at nominal value of QAR 1.00 per share.

The Group is organised into the following three operating segments:

- Retail operations which operates various hypermarkets, supermarkets and convenience stores across the State of Qatar and the Sultanate of Oman.
- Mall management, which comprises leasing of vacant shops and spaces in Al Meera community malls.
- Investment segment, which comprises equity and funds held as investment.

The Group has more than 60 stores operating throughout the State of Qatar and 6 stores in the Sultanate of Oman with consolidated net selling area of more than 100,000 sqm.



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BOARD MEMBERS & **BOARD OF DIRECTORS REPORT**

BOARD OF DIRECTORS

H.E. Abdulla Abdulaziz Abdullah Turki Al-Subaie

Chairman of the Board of Directors

H.E. Sheikh/ Fahad bin Falah bin Jassim Al Thani

Member of the Board of Directors

Mr. Mohammad Abdulla Al Mustafawi Al Hashemi

Member of the Board of Directors

Mr. Ali Hilal Ali Omran Al- Kuwari

Vice-Chairman of the Board of Directors

Prof. Dr. Khalid Ibrahim Al- Sulaiti

Member of the Board of Directors

Mr. Ahmed Abdullah Mohammed Al-Khulaifi

Member of the Board of Directors

Mr. Hetmi Ali Khalifa Al Hitmi

Member of the Board of Directors

CHAIRMAN'S MESSAGE

H.E. Abdulla Abdulaziz Abdullah Turki Al-Subaie
Chairman of the Board of Directors

In the Name of Allah. Most Gracious. Most Merciful

Dear Shareholders.

On behalf of the esteemed Members of the Board of Directors, I am delighted to present to you this comprehensive report, offering insights into the company's financial performance and overall progress over the past year.

In respect to the company's financial achievements, Al Meera Consumer Goods Company (Q.P.S.C) showcased robust results for the fiscal year ending on December 31, 2023. Our total sales surpassed 2.8 billion, with a gross profit of QAR 548.9 million and earnings of QR 0.88 per share.

Al Meera's steadfast commitment to excellence has solidified its position as a leader in the local market. Key factors contributing to this success include our agile responsiveness to customer needs, the establishment of secure retail environments meeting international standards, implementation of a flexible operating model, and a prudent investment strategy.

Our key role in facilitating a seamless experience for residents has been reinforced this year as we continue our expansion. A few milestones include the opening of a new branch in the remote area of Al Kaaban, which comes as part of Al Meera's corporate social responsibility strategy to ensure the easy access of essential goods in every community in Qatar, along with the opening of the much-anticipated first fully autonomous and checkout-free Al Meera Smart store, the first technologically advanced and unmanned store in Qatar, and the region offering customers exclusive access to a smooth and cashier-less shopping experience.

Al Meera was a Platinum Sponsor and participated in the Expo Doha 2023, marking its continued commitment to supporting large-scale national events, as seen during the FIFA World Cup Qatar 2022. Al Meera's presence at the Expo, which was under the theme "Green Desert, Better Environment", highlighted its role in supporting community and local initiatives, and showcased its dedication to making a positive impact on the public and environment by engaging in, and promoting, eco-friendly and sustainable practices.

Our achievements would not be possible without wise leadership and support, and as such I take this opportunity, on behalf of myself and the members of the Board of Directors and employees of Al Meera Consumer Goods Company, to express my highest appreciation and gratitude to His Highness the Amir of the State Sheikh Tamim bin Hamad Al Thani for his vision for the prosperity of the State of Qatar, and to His Excellency Sheikh Mohammed bin Abdulrahman bin Jassim Al-Thani, Prime Minister and Minister of Foreign Affairs, for his continuous support and guidance; praying Allah to direct their steps for all that involves the elevation and development of the State of Qatar.

Finally, on behalf of the Board of Directors, I extend sincere thanks for the continuous efforts and dedication of all employees of Al Meera Company to the growth and enhancement of the company, and to our esteemed shareholders, your trust and confidence serve as the cornerstone of our endeavors, inspiring us to pursue our goals, aspirations, and strategic initiatives with utmost dedication.

Thank you.

Abdulla Abdulaziz Abdullah Turki Al-Subaie
Chairman of the Board of Directors

CHIEF EXECUTIVE OFFICER'S MESSAGE

Mr. Yousef Ali Al Obaidan
Chief Executive Officer

In the Name of Allah. Most Gracious. Most Merciful

Dear Shareholders.

I am honored to address you once more on behalf of Al Meera's Board of Directors. As we reflect on the challenges and achievements of the past year, I am immensely grateful for your continuous support and trust, which have been instrumental in our journey toward sustained success in a dynamic economic environment.

In 2023, Al Meera solidified its status as Qatar's leading national retailer despite a highly competitive market. We achieved robust financial results, with consolidated sales totalling QAR 2.8 billion, gross profit reaching QAR 548.9 million, and rental income amounting to QAR 85.7 million. Net profit attributable to shareholders reached QAR 181.1 million, and our earnings per share were at QAR 0.88.

This year marked significant milestones in our corporate social responsibility strategy, such as the opening of a new branch in the remote area of Al Kaaban, which aims to ensure the easy access of essential goods in every community in Qatar.

Our social responsibility also extended beyond Qatar as Al Meera invested significant time and resources to support national humanitarian aid efforts in response to the ongoing crisis in Gaza alongside the devastating earthquakes in Turkey and Syria.

Additionally we launched Al Meera Smart, Qatar's first fully autonomous and checkout-free shopping experience that provides enhanced convenience for our customers and has positioned Al Meera at the forefront of retail technology. By reducing wait times and streamlining the shopping process, we are setting new standards in customer service and operational efficiency.

Our strategic technological advancements were also significantly bolstered through our partnership with SAP SE. By implementing SAP's S/4HANA system on Microsoft Azure, we have enhanced our operational efficiency and customer experience. This digital transformation has facilitated better inventory management, streamlined business processes, and improved data analytics capabilities, enabling us to make informed decisions swiftly and maintain our competitive edge in the market.

Our commitment to sustainability was prominently displayed during our participation in, and sponsorship of, the Expo Doha 2023, where we hosted a pavilion focused on eco-friendly practices. This event was a platform to showcase our initiatives such as waste reduction, recycling programs, and community clean-up activities, all designed to promote sustainable living and minimize our environmental footprint. Our efforts in promoting reusable bags, recycling plastic and aluminum, and engaging in community clean-ups highlight our dedication to not just corporate responsibility but also to making a positive impact on the environment.

As we look to the future, Al Meera is committed to significantly enhancing the customer shopping experience and expanding our retail footprint across Qatar. Our strategic plans include major renovations for key branches to uplift the customer shopping at Al Meera and the opening of our flagship branch in Um Al Seneem area that showcases the new look and feel of Al Meera and offers a large variety of food and non-food products, competitive prices and an exceptional customer experience to further solidify our presence in the nation.

Additionally, we are excited to launch the first Smart Carts in Qatar which will allow customers to log in, scan items, and add them to the cart, eliminating the need for traditional checkout lines. The screen will also showcase the best deals and promotions and seamlessly connect to Meera Rewards, enabling customers to shop and save and providing an exceptional shopping experience. As we continue our journey, we aim to maintain our leadership in the retail sector and reinforce our position as 'Your Favourite Neighbourhood Retailer'. We are dedicated to making every customer interaction with Al Meera seamless, convenient, and satisfying through continuous improvement and innovation. This commitment drives our efforts to meet the evolving needs of our customers and communities, ensuring a fulfilling year ahead.

I would like to express my sincere thanks to the Chairman and members of the Board of Directors of Al Meera for their continuous support and cooperation, which have contributed immensely to the numerous achievements the company recorded during the year. I also express my profound gratitude and appreciation to the shareholders of Al Meera and all our partners for the unwavering trust in us.

Finally, I also share my appreciation to all Al Meera staff for their dedication and hard work in leading, executing, and accomplishing the company's strategy with unrivalled hard work and dexterity. I praise the teams for their continued commitment to the mission and vision of Al Meera and to achieving the plans and aspirations set by our shareholders and loyal customers.

Together, we will continue to navigate the complexities of the retail landscape and strive for greater achievements.

Thank you.

Yousef Ali Al Obaidan
Chief Executive Officer

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14th CORPORATE GOVERNANCE REPORT

FOR THE YEAR 2024

Chairman's Message

In the name of Allah, most gracious most merciful,

We, the Board of Directors of Al Meera Consumer Goods Company W.L.L, are pleased to present to you the Fourteenth Governance Report for the year 2024, for the year ending on December 31, 2023. which forms part of our annual report issued by the company.

Al Meera Consumer Goods Company consistently strives to uphold the principles of governance, applying the highest standards of justice, integrity, and transparency. We believe that working in accordance with these principles and standards is the optimal path to good management and prudent governance aimed at enhancing the concepts of commitment.

The Board of Directors and senior management have reviewed the practices and regulations related to governance regulations and supervising their implementation in Al Meera, ensuring their adequacy to meet all the requirements of the regulatory authorities in the State of Qatar. This is in line with our commitment to following the best practices for compliance.

This report represents the annual disclosure of governance code and practices, in accordance with the Corporate Governance Regulations for Companies and Legal Entities Listed in the Main Market issued by the Qatar Financial Markets Authority.

On behalf of Al Meera's Board of Directors and Top Management, we thank our valued shareholders for their continued trust.

Chairman of the Board

Abdulla Abdulaziz Abdullah Turki Al- Subaie

14th Corporate Governance Report

1. Corporate Governance Report

Corporate governance includes an internal system that encompassing policies, individuals and processes aimed at achieving the interests of shareholders and other stakeholders, through effective direction and control of administrative activities using good governance in addition to objectivity and integrity.

We at Al Meera, are committed to meeting the needs of our clients because we believe it will ensure meeting the expectations of other stakeholders. We also believe that good corporate governance provides an effective way to fulfill both the clients' expectations and the interests of stakeholders. We believe that corporate governance is an ongoing systematic practice and not just a legal obligation.

In order to better serve our customers and partners, Al Meera is committed to developing and supporting a corporate governance framework that reflects the highest standards of oversight, independence and transparency. The guiding framework for the establishment of the corporate governance structure was provided through the Corporate Governance Code for Companies and Legal Entities Listed in the Main Market issued by the Qatar Financial Markets Authority ("QFMA CGC") issued by Qatar Financial Markets Authority, Board Resolution No. (5) of 2016, while the general reference is to the applicable laws and other regulations of the State of Qatar and the Qatar Stock Exchange, in addition to the best practices of recognized international governance systems.

The Corporate Governance Report highlights the key elements of the corporate governance system and has been designed and implemented to include the corporate governance requirements of Al Meera Company for the fiscal year ending on December 31, 2023.

2. Board Assessment of Internal Control Over Financial Reporting

The Board of Directors of Al Meera Consumer Goods Company Q.P.S.C (the "Company") and its subsidiaries (the "Group") assumes full responsibility for establishing and maintaining the effective internal control over financial reporting (ICOFR). Financial ICOFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). The ICOFR includes controls over disclosure and procedures designed to prevent and detect material misstatements in financial reporting.

Risks in Financial Reporting:

The main risks in financial reporting are that the consolidated financial statements are not presented fairly because of unintentional errors, deliberate "fraud" or because the publication of consolidated financial statements is not done on a timely manner. Lack of fair presentation arises when one or more of the financial statements or disclosures contain omissions that may be material. Misstatements are considered material if, individually or collectively, they could impact the economic decisions that users make on the basis of the consolidated financial statements.

To mitigate these risks of financial reporting, Al Meera has established the applicable internal controls over financial reporting with the aim of providing reasonable, though not absolute, assurance against material misstatement. Management has conducted a formal assessment of the effectiveness of the design, implementation and operation of internal controls over financial reporting as of December 31, 2023 based on the framework and standards set in Internal Oversight - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COSO recommends setting specific objectives to facilitate the design as well as the effectiveness of operational evaluation of the internal controls over financial reporting. As a result, when establishing the internal controls, management has adopted the following financial statement objectives:

- Existence or/Occurrence - the assets and liabilities actually exist and the transactions have occurred.
- Completeness: - All transactions are recorded; account balances are included in the consolidated financial statements.
- Valuation/Measurement - Assets, liabilities and transactions are recorded in the financial reports in the appropriate amounts.
- Rights, Obligations and Ownership Rights and obligations are recorded appropriately as assets and liabilities.
- Presentation and Disclosure - Classification, disclosure and presentation of financial reports appropriately.

However, any system of internal control including ICOFR, no matter how well managed and operated, can only provide reasonable but not absolute assurance, that the objectives of that control system will be achieved, and as such ICOFR disclosure controls, procedures or systems may not prevent all errors and fraud. Moreover, the design of the controls system should reflect the fact that resource constraints exist, and the benefits of controls in relation to their costs must be considered.

Organizing the Internal Control System

The departments and functions' directors bear the responsibility for coordinating the operational activities under their control to align with the strategy of Al Meera and to be in line with all internal policies "at all levels / business, group, function and country" and external regulations and laws that apply to business and functions.

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Reduce the Risk of Errors in Financial Reporting

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- Are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- Operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- Are preventative or detective in nature;
- Have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- Feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring the Design and Operating Effectiveness of Internal Control:

The group carried out an evaluation process for the ICOFR system for the financial year 2023, and the evaluation process included the adequacy of the design, and the effectiveness of the implementation and operation of the system of internal control over financial reports ICOFR, and the following was taken into account:

- The risk of errors in the items of the consolidated financial statements, taking into consideration some factors such as materiality and the susceptibility to errors in the financial statements.
- The susceptibility of identified controls to failure, given factors such as degree of automation, complexity, risk of management overrun, staff competence, and level of control required.

Collectively, these factors determine the nature and extent of evidence required by management in order to be able to assess whether the design and operation of the ICOFR system is effective or not. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an essential component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

Management's assessment included a review of the controls related to the following processes:

- Revenue
- Financial Closing and Reporting
- Treasury
- Investments
- Salaries of employees
- Fixed Assets and Intangible Assets
- Procurement and General and Administrative Expenses

- Inventory management
- Shop rental income
- Goodwill

The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

The result:
As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR was designed, implemented, and operated effectively as of 31 December 2023.

3. The Board of Directors' report on the company's compliance with the applicable laws of the Qatar Financial Markets Authority and related legislation, including the corporate governance system for companies and legal entities listed on the main market (the "Regulations") as on December 31, 2023

Under the direction of the Board of Directors, Al Meera worked to develop and achieve compliance with the corporate governance code for companies and legal entities listed on the main market, where Al Meera contracted with a specialized international consulting firm to work jointly with the relevant officials in the company to reconcile the company and the requirements of the system. All relevant stakeholders of the Company participated in the efforts to comply with the provisions of the Regulations and related laws on the basis of the principle of transparency and cooperative action. In the first place, the management of Al Meera is responsible for having effective internal controls and processes that ensure compliance with all governance policies and maintaining such compliance, which is subject to oversight by the Legal Affairs Department and the Audit and Risk Committee.

Based on the review of the Company's Board of Directors and senior executive management, Al Meera has committed to applying the relevant principles and provisions of Qatar Financial Markets Authority, including the corporate governance code for companies and legal entities listed on the main market issued by the Qatar Financial Markets Authority for the financial year ending on December 31, 2023.

In addition to the efforts that have been made, the Company will continue its efforts to ensure compliance with the provisions of the Code. **The company is currently reviewing its policies and procedures to ensure permanent compliance with the relevant codes and legislation of Qatar Financial Markets Authority**.

Compliance with corporate law:

In accordance with the provisions of the Commercial Companies Law No. 11 of 2015 and its amendments by Resolution No. 8 of 2021, with its prior commitment to the provisions of this law, Al Meera has reconciled its status by amending the company's articles of association, and the amendment came to include the mandatory articles of the amended law, and for more information, please see the statement Amendments to the articles of association found on the company's website.

4. Shareholders

Al Meera values and respects the rights of its shareholders, which are established by the Articles of Association (AOA) to ensure that shareholders' rights are respected in a fair and equitable manner.

The established rights of the shareholders specifically include among others, priority in subscription of Al Meera's shares, access to share ownership records, rights of and attendance of annual and extraordinary general assemblies. The shareholder rights also include exercise of voting and the right of voting through proxies, rights on taking decisions on the distribution of dividends in the annual general assembly meeting. Shareholder rights extend to include calls for general assembly, setting and discussion of meeting agendas and the right to receive feedback on questions asked in addition to the method of voting on Board election, and participation in major decisions through General Assembly and so on.

5. Shareholding Information

Al Meera Consumer Goods Company (Q.P.S.C.) was established by the Law 24 of 2004 regarding transforming Consumer Co-operative Societies into a Qatari shareholding company. The decision number 40 of 2005 dated 28 February 2005 was issued by the Minister of Economy and Commerce to establish the Company in accordance with the provisions of Article No. 68 of Law No. 5 of 2002 regarding Commercial Companies and their Memorandum and Articles

of Association. The Company's conditions were reconciled in accordance with the resolutions of the Extraordinary General Assembly held on 5 October 2016, under Law No. 11 of the year 2015 issuing the Commercial Companies Law and the provisions of the Memorandum of Association and the amended Articles of Association.

The capital of the Company is QAR 206,000,000, which is divided into 206,000,000 shares, after share split, at a nominal value of QAR 1 per share.

Al Meera was listed on the Qatar Stock Exchange on 28 October 2009 (Al Meera ticker symbol: MERS) in the light of the following contribution:

Shareholders	Shares held	Shareholding Percentage
Qatar Holding L.L.C.	53,560,000	26%
Shareholders of Private Sector	152,440,000	74%

The amended articles of association of the company specify that Qatar Holding Company owns 26% of total shares, and that the total number of shares owned by a shareholder should not exceed 5% of the company's total shares. **Hence, we would like to disclose the contribution of the General Retirement and Social Insurance Authority as of December 31, 2023, as it owns 6.54%, equivalent to 13,472,810 shares of the total shares of the Company.**

In line with the company's commitment to adhere to the maximum amount that any shareholder can own in the company, Al Meera, for the purpose of reviewing the shareholder register, obtains accurate information and an updated copy of the shareholder register, which is retained by the company.

6. The Board of Directors, Board Committees and the Senior Executive Management

The Board is entrusted by the shareholders with the authority to govern the Company, oversee its business activities and operations and to provide effective governance over the Company's key affairs. The responsibilities of the Board of Directors are set out in the Company's Articles of Association, Corporate Governance Framework, and more clearly defined in the Board Charter in compliance with QFMA Corporate Governance Code Article 8, which can be accessed on the Company's website.

To provide an organized and focused means of achieving the Company's goals and to properly address specific or specialized issues in a timely manner, the Board has established the following Board Committees in accordance with Governance Code and leading practices:

- Audit and Risk Committee
- Nomination and Remuneration Committee
- Tenders and Auctions Committee

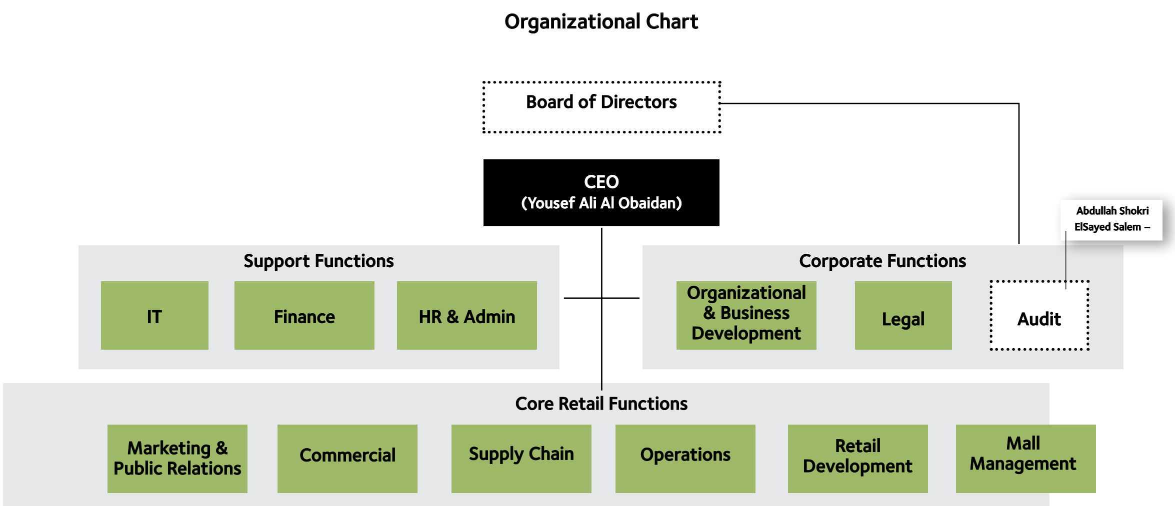
For additional information of Board Committees, please refer section 8.

In addition, the Board has delegated the daily management tasks of the Company to the Chief Executive Officer, subject to clear instructions and within the bounds of their delegated authority, while the Board has the ultimate responsibility of the governance of the Company, some of the duties and tasks delegated to the Chief Executive Officer are as follows:

- Develop and implement Board approved strategy and key business plans reflecting long-term objectives and priorities.
- Implement corporate governance framework approved by the Board.
- Assuming full responsibility to the Board for all aspects of Al Meera operations and performance.
- Build and maintain an effective management team.
- Maintain ongoing dialogue with the Board and Chairman.
- Ensure adequate operational planning, risk management and internal control systems are in place.
- Closely monitor operations and financial results in accordance with the plans and budgets.
- Represent Al Meera to major customers, professional associations, service providers and regulators, and maintain effective internal and external public relations and act, in conjunction with the Chairman of the Board, as Al Meera authorized liaison officer with the media for press releases etc.
- Spearhead major Al Meera initiatives.

Mr. Yousef AL Obaidan is the CEO of Al Meera Group. Executive management profiles can be found on Appendix 2.

Organizational Structure of the Group's Main Departments



As of 31 December 2023, the executive management members do not own any shares in the company.

7. The Delegation of Authority

Delegation of authorities and roles and responsibilities of each of the functions has been documented in governance documents, with clear authority limits, strict adherence to the principle of dual signatory principle, and controls over the licensing of commercial transactions. The Board of Directors also adopted the operational policies and procedures, according to the specialized studies carried out by a group of expert consultants. The company will continue the follow up on updating the charters and the company's governance policies and practices ensuring compliance to any new instructions or requirements.

7.1 Board Charter

In accordance with the provisions of the Code, the Board has amended the Board Charter to reflect the requirements of the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority pursuant to Decision No. 5 of 2016, the Board charter details the Board's functions, rights, duties and responsibilities to assist in the exercise of its powers and fulfilment towards the Company. The amended Board Charter is published on the Company's website for general reference by the stakeholders.

7.2. Code of Conduct

The Board believes that working according to the highest level of honesty and integrity is of paramount importance to protect the interests of Al Meera, its shareholders, and its customers. Therefore, the Board of Directors and the Senior Executive Management are committed to the highest standards of integrity and professional behavior in the practice of operational activities, in accordance with the rules of professional conduct approved by the Board.

7.3. Board Composition

In accordance with Articles of Association, Al Meera's Board is currently composed of seven (7) members of whom Two (2) members are nominated by Qatar Holding L.L.C., from whom a Chairman is selected. The remaining five (5) Members are elected by way of a secret ballot involving the shareholders at the Annual General Assembly.

Details of our distinguished Board members are included in "Board members" section in Appendix 1:

Board members (session 2023-2024)

No.	Name	Role	First Appointment	Representing	Status	Shares Owned Upon Election	Shares Owned as of 31-Dec-2023
1	H.E/Eng. Abdulla Abdulaziz Abdullah Turki Al- Subaie	Chairman	March 2022	Qatar Holding	Non- Independent	Not applicable	Not applicable
2	Mr. Ali Hilal Ali Omran Al- Kuwari	Vice Chairman	March 2022	Qatar Holding	Non- Independent	Not applicable	4,367
3	Prof. Dr. Khalid IbrahimMohammed Abu Yaqoub Al- Sulaiti	Member	March 2022	Shareholders	Independent	236,959	244,067
4	His Excellency Sheikh / Fahad bin Falah bin Jassim Al Thani A representative of the White Rock Trading and Contracting Company	Member	March 2022	Shareholders	Independent	331,757	341,709
5	Mr. / Ahmad Abdulla Mohamed Al Khulaifi	Member	March 2022	Shareholders	Non- Independent	20,000	20,600
6	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member	March 2022	Shareholders	Independent	23,610	24,318
7	Mr. Hetmi Ali Khalifa Al ¬-Hitmi A representative of Ali bin Khalifa Al-Hitmi and Partners Company	Member	March 2022	Shareholders	Independent	665,552	60,600

7.4 Board Meetings

Board meetings are conducted regularly, given that there should be no less than (6) Board meetings in the annual financial year, Al Meera's Board of Directors held (6) meetings in 2022.

Board meetings	Meeting date	Attendees	Absentees
1	29/1/2023	7/7	0
2	13/3/2023	7/7	0
3	18/4/2023	7/7	0
4	26/6/2023	6/7	1
5	13/8/2023	5/7	2
6	30/10/2023	6/7	0

7.5. Board Activities During the Year 2023

In 2023, the Board of Directors achieved a number of key governance goals and supervised the implementation of a number of key successful initiatives, including:

- Approval of the consolidated and audited financial statements for the fiscal year 2022.
- Approval of the estimated budget for the financial year 2023
- Approval of the agenda of the Ordinary General Assembly for the year 2024 for the year ending 2023
- Approval of some bids.
- Discuss the modernization/development of the company's operational processes.
- Discussing some investment initiatives in Al Meera.
- Discussing some legal issues related to Al Meera.
- Discussing the reconciliation of the company's situation in accordance with the amendments to the Commercial Companies Law No. 8 of 2021
- Evaluate the performance of the senior executive management and evaluate the overall performance of the company as a whole.
- Evaluate the activities of the Board of Directors' committees and review the annual committees' work reports.

As required by Article (8.9) of the CG code, the Board is in the process of developing a written mechanism for dealing and cooperating with financial service providers, and financial analysis, credit rating and other service providers and the entities that determine financial market standards and indicators.

7.6. Board Member Induction and Ongoing Educational Development

Al Meera has developed a structured induction and educational programme for new Board Members upon their appointment to become familiar them with all aspects of Al Meera's business activities, the company structure, management and all other information enabling the said Board Member to assume his/her responsibilities. During the year 2023, the Company conducted a training session to the current board members on Corporate Governance.

7.7. Prohibition of Combining Positions

The company has ensured the separation of roles between the Chairman of the Board of Directors and the Chief Executive Officer, and that the Chairman of the Board of Directors is not a member of any of the Board's committees. Furthermore, the Chairman and all other members of the Board of Directors provided, a written acknowledgment, for the year 2023, affirming their commitment not to combine prohibited positions in accordance with the provisions of article 7 of the Corporate Governance code.

7.8. Duties of the Chairman of the Board

The Chairman is responsible for ensuring the proper functioning of the Board in an appropriate and effective manner, including timely receipt of complete and accurate information by the Board Members and his duties and responsibilities include, but are not limited to, chairing the Board and general meetings ensuring efficient conduct of meetings, encouraging effective participation of Board members. The Chairman's role also mandates the approval of the Board meeting agenda, facilitating effective communication with shareholders, and conveying of their opinions to the Board of Directors, and annual evaluation of Board performance.

7.9. Duties of Board Members

Board members are committed to their duties and responsibilities owed to the company as stipulated in the Board Charter and in accordance with Law and under Article 12 of the Corporate Governance Code specifically and QFMA Corporate Governance Code.

In addition, the Chairman, Board members, and senior executive management members commit not to engage in any activities that would compete with the company, or to trade in their personal interest or the interest of others in one of the branches of the activity conducted by the company, unless he obtains approval from the General Assembly. Otherwise, the company has the right to demand compensation, or the actions undertaken may be considered on behalf of the company.

The Chairman and members of the Board of Directors and members of the Senior Executive Management are also obligated to disclose to the Board any interest, direct or indirect, that he has in the transactions and dealings conducted on behalf of the company. The disclosure includes the type, value and details of such transactions, the nature and extent of the interest accruing to them, and a statement of the beneficiaries thereof.

The members of the Board of Directors are obliged under the Articles of Association not to sell or mortgage the Company properties or enter into loan contracts exceeding a term of three years without the approval of the General Assembly unless these transactions are within the company's purposes. The debtors' discharge is not provided for in the Articles of Association; however, the bad debt may be written off by the Board in some cases and under specific applicable mechanisms in accordance with the company procedures.

The Chairman and members of the Board of Directors and members of the Senior Executive Management are also obligated to disclose to the General Assembly the jobs they occupy and the positions they hold in a personal capacity or as a representative of a legal entities, periodically in the annual governance report within the personal CVs provided of each of them.

7.10. Board Membership and Members Qualifications

The Nomination and Remuneration Committee undertakes the task of nomination and relies on a mechanism based on clear and objective criteria for accepting nominations. The Committee proposes members of the Board of Directors for election by the General Assembly, considering the requirements of Commercial Law No. 11 of 2015 and its amendments, and the corporate governance code issued by the Qatar Financial Markets Authority in this regard. The committee also supervises the annual performance assessment for the Board of Directors and its committees. The Board of Directors' membership candidates are required to submit a written declaration, stating their commitment not to combine prohibited positions and the membership of the Board.

The members of the Board of Directors possess the knowledge and experience necessary to perform their duties in a manner that serves the interest of the Company. Additionally, they dedicate their time and attention throughout their term of office, to effectively perform their duties. Moreover, they also meet the membership requirements of the Board of Directors, as stipulated in Article No. (5) of the Corporate Governance Code issued by the Qatar Financial Markets Authority, in compliance with Article No. (6) of the Corporate Governance Code issued by the Qatar Financial Markets Authority, one third of the Board of Directors of Al Meera is composed of independent members.

The conditions required for a Board Member candidacy are as follows:

1. The candidate must be at least twenty-one years old and fully eligible.
2. The candidate must not have been convicted of a criminal penalty, or of a crime compromising honour or trust, or any of the crimes stipulated in Articles 334 and 335 of Commercial Companies Law No. (11 of 2015), or Article 40 of Law No. (8 of 2012) regarding the Qatar Financial Markets Authority, or be prohibited from engaging in any activity within entities subject to the authority's supervision under Article 35 Paragraph 12 of Law No. (8 of 2021), unless their eligibility has been restored. Bankruptcy shall disqualify the candidate unless their eligibility has been reinstated.
3. The candidate must be a shareholder and owner of no less than 20,000 shares in the company at the time of nomination. These shares must be deposited with a depository institution or one of the accredited banks within sixty days from the start of the membership. The shares shall remain deposited and non-negotiable, non-pledged, or non-seizable until the end of the membership term, and the balance sheet of the last financial year in which the member performed their duties must be approved.

The candidate for membership in the Board must submit a written declaration in which he confirms that he will not hold any position that is legally incompatible with membership. In any case, the company undertakes to submit a list of the names and data of the candidates for Board membership to the authority for approval at least two weeks before the specified date for Board elections, along with the curriculum vitae of each candidate and a certified copy of the nomination requirements and the specialization of the shares referred to in the preceding paragraph to ensure the rights of the company, shareholders, creditors, and others from the responsibility falling on the board members. If the member does not provide the guarantee mentioned above, his membership shall be terminated.

One-third of the board members of the company shall be independent, and the majority of its members shall not be full-time in managing the company or receive remuneration from it.

The articles of association of Al Meera Company do not include the allocation of one or more seats on the board to represent the minority in the company or to represent its employees.

The governance system issued by the authority or the Qatar Central Bank, as appropriate, specifies cases that conflict with independence.

Independent members are exempted from the requirement of owning or holding shares in the company.

If a board member loses any of these conditions, his membership status shall cease from the date of such loss.

7.11. Performance Assessment of the Board of Directors

A self-assessment of the Board for the year 2023 was conducted in accordance with the requirements of the Corporate Governance Code issued by the Qatar Financial Markets Authority. To evaluate the performance of the Board and its committees according to a specific questionnaire developed by the Nomination and Remuneration Committee, that include criteria on contributions and interaction, quality of input, understanding of roles, responsibilities and main tasks and the relationship with the senior executive management. The evaluation process also considered the key components of the formation and composition of the Board and its responsibilities.

The Chairman of the Board of Directors made a comprehensive evaluation of the Board as a whole and its committees, and the Top Management as well, to determine whether the Board and its committees, and the Top Management, are optimally effective. The Nomination and

Remuneration Committee reviewed the evaluation results and submitted a report to the Board of Directors evaluating the overall performance of the Board and its committees for the fiscal year 2023.

Furthermore, Executive management's performance was also assessed. The Committee's assessment concluded that the Board of Directors, its committees and members were committed to the interests of the company and that the executive management is commitment to implementing the internal control and risk management system, considering grievances, complaints, proposals, reports and the manner of addressing the same.

8. Board Committees

No.	Board of Directors	Status	Audit and Risk Committee	Nomination and Remuneration Committee	Tenders and Auctions Committee
1	H.E/Eng. Abdulla Abdulaziz Abdullah Turki Al-Subaie (Chairman)	Non-Independent	-	-	-
2	Mr. Ali Hilal Ali Omran Al- Kuwari (Vice Chairman)	Non-Independent	-	-	Committee-Chair
3	Prof. Dr. Khalid Ibrahim Al- Sulaiti (Member)	Independent	-	Committee Chair	Committee Member
4	His Excellency Sheikh / Fahad bin Falah bin Jassim Al Thani (Member)	Independent	Committee-Chair	-	-
5	Mr. Ahmed Abdullah Mohammed Al-Khulaifi (Member)	Non-Independent	Committee Member	-	-
6	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi (Member)	Independent	-	Committee Member	Committee Member
7	Mr. Hetmi Ali Khalifa Al Hitmi (Member)	zIndependent	Committee Member	Committee Member	-

8.1. Audit and Risk Committee

The committee assists the board of directors in carrying out its supervisory and oversight duties to ensure the integrity of the company's financial statements. It advises the Board of Directors on the efficiency and effectiveness of internal control systems and the arrangements that must be made to manage risks. The Committee is also tasked with ensuring the independence and objectivity of the internal and external audit functions. Members of the Audit and Risk Committee shall have the experience necessary to perform the duties and responsibilities of the Committee.

Committee was established by the Board since 2005, the committee submitting reports to Board of Directors regarding the reviewing of effectiveness, efficiency of internal control systems during the financial year and until the date of approval the financial statements.

The Audit and Risk Committee consists of 3 members and a secretary:

No.	Independence	Membership	Position	Name
1	His Excellency Sheikh / Fahad bin Falah bin Jassim Al Thani	Board Member, Non-Executive	President	Independent
2	Mr./ Hetmi Ali Khalifa Al Hetmi	Board Member, Non-Executive	Member	Independent
3	Mr. / Ahmad Abdulla Mohamed Al Khulaifi	Board Member, Non-Executive	Member	Non-Independent
4	Mr. / Elsayed Mohamed Salem Mohamed	Executive - Internal Audit Lead	Secretary	-

The Audit and Risk Committee met 8 times during the year 2023

Number of Attend-ees	Meeting Dates	Number of committee meetings
2/3 (President & Member)	January 22,2023	1
3/3	March 13, 2023	2
3/3	April 17, 2023	3
2/3 (President & Member)	June 11, 2023	4
2/3 (President & Member)	August 10, 2023	5
3/3	September 27, 2023	6
3/3	October 30, 2023	7
2/3 (President & Member)	December 6, 2023	8

The responsibilities of the Committee are documented in its current charter as follows:

- Review the Audit and Risk Committee Charter, the Internal Audit Charter, and recommend changes or updates to the Board on an annual basis.
- Recommend external auditor candidates to the Board, approve their fees, review the scope and results of the audit, and evaluate its effectiveness.
- Confirm and assure the independence of the internal audit function and the external auditors, including the review of management consulting services and associated fees provided by the external auditors, all on an annual basis.
- Collaborate with other Committees, the management, the Head of Internal Audit and Compliance and external auditors, the significant risks or exposures that exist and assess the steps Management has taken to mitigate these risks on the Company.
- In consultation with the Head of Internal Audit and the external auditors, consider the scope and plan of the internal and external audit.
- Review with the Head of Internal Audit and the external auditors, the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- In cooperation with the Director of Finance and the external auditors, upon completion of the quarterly review and annual examination, the audited quarterly and annual financial statements, annual audited financial statements and related footnotes, and the integrity of the company's financial reports are reviewed in accordance with the applicable accounting principles of the company.
- The Audit and Risk Committee reviews the quarterly and annual financial results and recommends to the Board of Directors to approve it.
- Examine any relevant major observations or recommendations by the external and internal auditors with management responses thereto.
- Study any material changes required in the external auditors' audit plan, any serious difficulties or disagreements with management encountered during the audit process and finding solutions to it, and to any other issues related to the audit process.
- Annual review of the following in cooperation with the management and the head of internal audit:
  - The significant observations made by the internal audit during the year, and the management responses related to it.
  - The effectiveness of the company's internal control over the management system, business, technology, practices, and risks.
  - Any changes required in the scope planned by the Head of Internal Audit.
- Review the company's dealings with related parties, and the inappropriate activities of the company (if any), and to which extent they are subject and complied with the controls related to those transactions.
- Review legal and regulatory matters that may have a material impact on the financial statements, relevant compliance policies, programs, and reports received from regulatory bodies.
- Holding meeting with the Chief Internal Auditor, Compliance Officer, external auditors, other committees, and management to discuss any matters that should be discussed with the Audit and Risk Committee.

The committee has succeeded in completing many of its tasks in 2023, the most prominent of which are the following:

- Reviewing the offers of the external audit firms to assess the data for the financial year 2023 and to verify that the appropriate controls are in place for selecting the most appropriate offer of them.
- Selection of the external audit firm, Deloitte & Touche, to review the financial statements for the financial year 2023.
- Supervising and reviewing the accuracy and validity of the consolidated financial statements for the year 2022.
- Supervising and reviewing the accuracy and validity of the financial statements for the first quarter of 2023.
- Supervising and reviewing the accuracy and validity of the financial statements for the first half of 2023.
- Supervising and reviewing the accuracy and validity of the financial statements for the third quarter of 2023.
- Meeting with the Internal Audit Department and discussing the quarterly periodic reports (every three months) submitted by the Internal Audit Department on internal control work during the year 2023 and monitoring the achievements of the Internal Audit Department in accordance with the approved audit plan.
- Discussing the Internal Audit Department's report on lease department along with related recommendations.
- Discussing the Internal Audit Department's report on the import department along with related recommendations.
- Discussing the Internal Audit Department's report on the organizational and business development department along with related recommendations.
- Discussing the Internal Audit Department's report on the legal department along with related recommendations.
- Discussing the Internal Audit Department's report on the miscellaneous expenses Review along with related recommendations.
- Discussing the Internal Audit Department's report on the inventory valuation along with related recommendations.
- Discussing the Internal Audit Department's report on the non-trade purchases along with related recommendations.
- Discussing the Internal Audit Department's report on the third-party management along with related recommendations
- Discussing the Internal Audit Department's report on the project management along with related recommendations
- Discussing the Internal Audit Department's report on the branch renewals along with related recommendations
- Discussing the Internal Audit Department's report on the e-commerce along with related recommendations
- Verification of Al Meera Company's compliance with the rules and conditions governing disclosure and listing in the market through disclosure of financial data (quarterly, semi-annual, annual).
- Discuss and approve of internal control systems regarding financial reporting applied by the company according to governance requirements.
- Discuss and review of additional fees for the external auditor for audit and additional audit work and approval.
- Discuss the following important subject with **the Board of Directors members:**
- Discussing Procedures regarding non-trade purchases needed by company departments.
- Procedures regarding job requisitions.
- Discussing of accounting policies and standards that have been changed according to IFRS accounting standards with the financial affairs management.
- Discussion of the risk report prepared by the specialized consultancy company (Moore) regarding the risks identified by the executive management from the first quarter to the second quarter of 2023.
- Discussion and approval of the internal audit action plan for the years 2024, 2025.

Other topics related to the year 2023

- Discuss the Internal Audit Department's reports on the Human Resources department along with related recommendations for the following area:
  - Performance Management.
  - Career Development & Competencies.
  - Payroll & Staffs Benefits.
- Discussing the Internal Audit Department's annual report for the year 2023.
- Submitting the Internal Audit Committee annual report to the Board of Directors, for the year 2023.
- Discussing the risk report prepared by the specialized consulting company (Moore) on the risks identified by the executive management for the third quarter to the fourth quarter of 2023

8.2. Nomination and Remuneration Committee

The Remuneration and Nominations Committee was established since 2012 by the Board. The Nomination and Remuneration Committee is concerned with several specific matters in accordance with the Charter of the Nomination and Remuneration Committee approved by the Board of Directors, which includes the following:

- Nomination of key members and executives.
- Drafting Company Management Succession Plan to ensure prompt recruitment of suitable replacement for company vacancies.
- Remunerations of the members of the Board of Directors and key executives.
- Board annual evaluation.

Most of the committee members are those with organizational and administrative experience, and they were appointed by virtue of a decision issued by the Board of Directors. The Remuneration and Nominations Committee met two (2) times during the year 2023, and attendance met the legal quorum.

Meeting Dates	Number of committee meetings
January 29, 2023	1
March 13 , 2023	2

The committee comprises of the following members:

No.	Independence	Membership	Position	Name
1	Prof. Dr. Khalid Ibrahim Al- Sulaiti	Board Member, Non – Executive	Chairman	Independent
2	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Board Member, Non – Executive	Member	Independent
3	Mr. Hetmi Ali Khalifa Al Hitmi	Board Member, Non – Executive	Member	Independent
4	Dr. Abdullah Alaaeldin El Hakeem	Legal Manager- Committee's secretary	Secretary	-

The most prominent tasks of the Committee during 2023 are listed below:

The following topics were discussed:

- Reviewing the annual committee report, which includes an evaluation of the activities of the Board of Directors and its committees.
- Considering the proposal for bonuses for Board members for the year ended 2022.
- Considering the proposal for employee bonuses for the year ended 2022.
- Reviewing the bonuses for the executive management and the Board Secretary.

Other topics related to the year ending 2023:

- Recommending the remuneration of the Board of Directors and the senior executive management for the year ending 2023 - For information about the remuneration of the Board of Directors and the senior executive management, please refer to Note No. (26) "Disclosure of Related Parties" within the audited and consolidated financial statements for the year ending in 31 December 2023.
- Submitting an annual report on the committee's performance during the year 2023 to the Board, including its activities and recommendations.
- Submitting an annual report to the Board that includes a comprehensive analysis of the Board's performance for the year 2023, identifying strengths and weaknesses and its suggestions. And its proposals, in accordance with the provisions of Article (18/7) of the Governance Regulation issued by the Authority.

8.3. Tender and Auction Committee

established by the Board in 2006 to ensure that the company has an efficient and effective purchasing decisions. Additionally, the implementation of business works and acquired services is realized through the best means and conditions with the least possible cost. The Tenders and Auctions regulation sets out the terms of reference for the Committee.

The Committee comprises of six (6) members, an observer, and a secretary:

No.	Name	Role
1	Mr. Ali Hilal Ali Omran Al- Kuwari	Chairman
2	Prof. Dr. Khalid Ibrahim Al- Sulaiti	Member
3	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member
4	Assets & Property Director	Member
5	Finance Director	Member
6	Legal Affairs Director	Member
7	Internal Audit staff	Observer
8	Senior Administrative Coordination Officer	Secretary

The committee has met (28) times during the year 2023, and the following are their responsibilities:

- Issue tenders and receive bids.
- Study and evaluate technical and financial evaluation reports in light of what the applicant (bidder) has proposed.
- Issue decisions concerning the tenders or provide recommendations on the most appropriate bid, in accordance with the provision and procedures set out in the "Tender and Auction Regulation".
- Prepare minutes of each Meeting, which are signed by the Committee Chairman and the attending members at the end of each meeting, for record purposes as to the works and recommendations of the Committee.

9. Board Secretary

The Board has appointed a Board Secretary, who is also handling the additional responsibility of the Company's Legal and Compliance Director.

The Board Secretary provides administrative support to the Chairman, Board members and the Board committees, to ensure the compliance to the law and to facilitate the execution of their functions. It also coordinates between the Chairman and the members of the Council, the members, as well as the Council, stakeholders and shareholders, including shareholders, management and staff.

The Board Secretary is additionally responsible for ensuring that the correct Board procedures are followed and advising the Board on all legal and Corporate

10. Internal Control System

The Board of Directors is responsible for the company's internal control system, and the Board has approved a comprehensive set of documents including the organizational structure, grade and salary structure, job descriptions, policies and procedures, and the delegation of financial and operational authority to regulate the company's operations. The council has ensured, through existing delegations of authority, that no individual has unfettered powers

11. Internal Audit

Al Meera has an independent internal audit function that reports to the Audit and Risk Committee of the Board of Directors. The risk-based internal audit plan is prepared by the Internal Audit Department, approved and approved by the Audit and Risk Committee, which covers the various areas of Al Meera's operations. The internal audit function has access, at all times, to all accounts, books, records, systems and individuals in order to fulfill its audit responsibilities.

The Internal Audit Department reviews the business and technical processes to identify risks, reviews the controls set to reduce those risks, and makes recommendations. The internal audit staff has the independence to report objectively on any issues without being bound by the chain of command. The Internal Audit Department staff monitors and supports the governance structure and activities to ensure its continued effectiveness.

The Internal Audit Department submits quarterly periodic reports to the Audit and Risk Committee, including, but not limited to, the extent of compliance with internal control systems and the management of risks facing the company.

12. Risk Management

The Board of Directors has overall responsibility for managing risk in the Company and for promoting appropriate risk management practices within the Company. Al Meera has established a risk management framework and an independent risk management function. The objective of the Company's risk management process is to assess, address and control internal and external risks that may affect the achievement of Al Meera's strategic plan.

Al Meera has clear systems, policies and procedures regarding risk management to ensure comprehensive risk management. The role of the risk management function falls under the purview of the Audit and Risk Committee, the internal audit planning process is enhanced by aligning the risk-based internal audit plan with the company's risk profile.

Risk Management Approach

Al Meera's risk management framework is in line with the components of the COSO Model, which support monitoring, recording, analysis and reporting on risks. Al Meera's business risk register is subject to a periodic review on a quarterly basis as it is prepared by the company's management team for each business unit. The register is then compiled and reviewed by an expert consulting company, and it is presented to the Chief Executive Officer to review and evaluate the most prominent risks and risk mitigation plans. This process forms the basis of the report that is submitted to the Company's Audit and Risk Committee.

Through its risk management consultancy, Meera has identified the risks facing the same and its methods of assessment and management. Quarterly reports presented to the Audit and Risk Management Committee, Meera has made a comparative analysis of the risks facing the company to be delivered to the Board by the Audit and Risk Committee.

The Board determines the level of risk acceptable to the Group with respect to its core operations by setting appropriate limits for management's commitment, taking into account risk indicators, the nature and volume of the Group's business and operations, and discussing the systems adopted to discuss radical or unforeseen changes in the Market. The Board has delegated the task of identifying and assessing the risks of the company's main business to the Audit and Risk Committee, which will be responsible for developing and implementing an appropriate system of internal controls for the requirements of risk management.

13. Compliance with Qatar Financial Markets Authority laws and related legislation, including its Corporate

The Company's Legal Affairs Department continuously informs the Board of Directors and the Senior Executive Management about the development of new or amended laws and regulations, and the company consistently strives to comply with all new or amended laws and regulations. It's worth noting that Al Meera did not incur any financial sanctions or penalties imposed by the Qatar Financial Markets Authority during the year 2023 as a result of its non-compliance with any provisions of the laws of the Qatar Financial Markets Authority and related legislation, including the corporate governance system issued by the Qatar Financial Markets Authority and the listing and disclosure rules. Al Meera confirms that there were no cases of non-compliance with the provisions of the above-mentioned laws.

On the other hand, there were some minor violations, as is natural, that occurred in some branches of the company by the Ministry of Municipality and Environment. The company has highlighted these violations, their type, their causes, the manner in which they were dealt with, and ways to avoid them in the future, as shown in the statement of violations for the year 2023 published on the company's website.

14. External Auditors

At the meeting of the Ordinary General Assembly, the Board of Directors will recommend to the General Assembly to appoint the office "Deloitte and Touche "as an external auditor for Al Meera, based on the recommendations of the Audit and Risk Committee.

15. Related Parties' and Conflict of Interest Policy

While related party transactions are disclosed, Al Meera has prepared a formal related parties' policy that governs related parties' business transactions and potential conflicts of interest as well as related practices and disclosures. The policy was disclosed upon adoption, and there were no instances of conflict of interest during the year 2023.

Dealing with Rumours

In compliance with Article (25) of the Corporate Governance Code issued by the Qatar Financial Markets Authority, Al Meera has a clear policy for dealing with rumors that are disclosed by third parties, and in general any information that may harm the company's reputation, where rumors are addressed and escalated on a case-by-case basis, considering their source, and expected impact.

The Board of Directors has appointed the Chief Executive Officer as an authorized spokesperson to speak on behalf of the Company to disseminate public information, respond to specific media inquiries, or respond to rumors by way of denial or substantiation.

16. Related Party Transactions

Al Meera did not enter into any transactions with related parties in violation with Governance Code issued by the Qatar Financial Markets Authority during the financial year ending on 31 December 2023.

The company has controls and systems that govern its entry into transactions with related parties. No related party who is a party or has a connection to an operation, relationship, or deal concluded by the company may attend the board meeting while it is discussing that operation, relationship, or deal, and is not entitled to vote on what it issues. The Council makes decisions thereon. In all cases, the Board shall ensure that all relationships that the company establishes with others are in the interest of the company, and that all deals it concludes are in accordance with market prices and on a purely commercial basis, and do not include conditions that conflict with the interest of the company.

For information about transactions with related parties, please refer to Note No. (26) "Disclosure of Related Parties" within the audited and consolidated financial statements for the year ending 31

17. Insider trading

Al Meera has established rules and procedures prohibiting the chairman, members of the board of directors, executive directors and insiders from trading in the company's shares, during the ban period specified by the Qatar Stock Exchange, until the public announcement of the financial statements. In this context, all board members and senior management disclosed all trading operations carried out by them in the company's shares, as well as their spouses and dependent children. Such acknowledgments shall be maintained by the Company's Legal Department.

18. Remuneration Policy

The Articles of Association governs the remuneration of Board members. Board remuneration is subject to approval of the General Assembly with a maximum limit of 5% of the net profit to be attributed to bonus distribution for 2023, as stipulated in Article 42 of the company's Articles of Association.

The Board determines senior management compensation. The senior management compensation is composed of a salary and a performance related bonus. The Board determines the limits for fixed salary components.

19. Disputes and Legal Issues

During the year 2023, the company was a party to a defendant in two cases, the first related to the membership of the Board of Directors and filed against Al Meera Company, and the ruled in favour of the plaintiff, with the court rejected the appeal and affirming the appealed judgment. In the complaint filed in favour of the plaintiff, it was dismissed, and the complainant was ordered to pay the expenses The second case related to the appeal against the Board elections during the General Assembly for the year 2022, which was filed against Al Meera Company, in which the court ruled that the case was rejected as it is and obliged the plaintiff to pay the expenses, the case is still pending litigation.

Other than that, there were no major legal disputes that would have a material impact on the company, noting that Al Meera has some minor legal issues related to rental disputes, and the company believes, based on its best judgments, that the outcome of these cases will not have a direct impact on the group, whether on an individual basis or collectively.

20. Stakeholder Rights

When making decisions, the Board of Directors aims to consider the interests of all stakeholders such as employees, customers, suppliers and other components of the community in which the company operates. The employees of the company have equal rights without any discrimination based on race, gender or religion. The Board of Directors has approved the remuneration policy that provides incentives for employees, with the aim of stimulating performance in the interest of the company.

21. Fair Treatment of Shareholders and Voting Rights

According to the provisions of Article 8 of the Company's Articles of Association, which states that "Shareholders have equal rights and have all rights arising from the ownership of the share as per the provisions of the Law and relevant regulations and resolutions", all the shareholders are equal and they have the right of equality, in particular the right to dispose of shares and obtain the share of the dividends, the attendance of the General Assembly, the participation in the deliberations and voting on its decisions. The shareholder also have the right to access and request information in a manner that does not harm the interests of the Company. Non-Qataris may purchase shares of the Company, provided that the total of Non-Qataris shares do not exceed 49% of the Company's shares.

22. Investor Relations

In support of management's commitment to establish transparent and close communication with the shareholders, as well as the company's commitment to shareholders' rights to access information, all stakeholders can access information relating to the Company and its Board members and their qualifications. The Company regularly updates its website with all Company news, in addition to including this information in the Annual Report presented to the General Assembly.

23. Reporting Violations

A mechanism has been designed and adopted to enable stakeholders to report behaviors which are considered suspicious, illegal, unethical or harmful to the company, while the confidentiality of the information received has been ensured, and whistleblowers are protected. This process is overseen by the Audit and Risk Committee, which is responsible for receiving violation reports.

24. Dividend Policy

The payment of dividend is subject to recommendation by the Board of Directors and is subject to approval by the Shareholders in the Annual General Assembly meeting. For the Year ended 31 December 2023, the Board of Directors proposed the distribution of cash dividends of QAR 0.85 per share

25. Sustainability and Social Responsibility:

Supporting Environmental Initiatives

As part of its efforts to lay the foundations for a more sustainable future, Al Meera is committed to providing the necessary support for sustainability initiatives that aim to raise awareness of environmental responsibility and promote a culture of environmentally friendly practices in the community. The following are among the initiatives during the year 2023, Al Meera continued to operate plastic and metal bottle recycling machines, which are currently operational in several branches of the company. Additionally, the company launched environmentally friendly bags, implemented paper recycling programs, and collected used batteries in collaboration with the Ministry of Municipality and Environment to dispose of them safely, protecting the community from their harmful effects.

25. Sustainability and Social Responsibility: (CONTINUED)

The ambitious environmental initiatives launched by Al Meera are guided by Qatar's National Vision 2030 and its four pillars: economic, human, social, and environmental development. These initiatives have borne fruit and contributed to solidifying sustainable practices across various parts of Qatar.

Supporting Social and Sports Initiatives, Activities and Events

The company is committed to contributing 2.5% of its annual profits to the Fund for Supporting Social and Sports Activities (Daam) as required by the regulations and laws of the General Tax Authority. Accordingly, Al Meera's contribution is to pay what represents 2.5% of Al Meera's profits for the year 2023 in support of social and sports initiatives and activities.

26. Subsidiaries and Associates

The Company is the ultimate parent of the following Companies:

1. Al Meera Holding Company L.L.C.
2. Al Meera Supermarkets Company W.L.L.
3. Al Meera Development Company L.L.C.
4. Qatar Markets Company L.L.C.
5. Al Meera Bookstore Company W.L.L.
6. Aramex Logistics Services Company. L.L.C.
7. Maar trading and Servicing Company. L.L.C.

Overseas Subsidiaries

1. Al Meera Oman SAOC
2. Al Meera Markets SAOC

Qatari Associate

3. Al Oumara Bakeries Company L.L.C.

Our Board Members | Appendix 1:

Board of Directors Profiles

H.E/Eng. Abdulla Abdulaziz Abdullah Turki Al- Subaie

Chairman of the Board of Directors
Nominated by Qatar Holding

His Excellency Abdulla bin Abdulaziz bin Turki Al Subaie was appointed Minister of Municipality and Environment and Climate Change on January 8, 2024.

Previously, His Excellency Dr. Abdullah bin Abdulaziz bin Turki Al Subaie served as the Minister of Municipality from October 2021 until January 2024, and prior to that, he held the position of Minister of Municipality and Environment from November 2018 to October 2021.

He was tasked with the duties of Minister of State for Cabinet Affairs in addition to his position from May 2021 to October 2021.

Furthermore, he served as the Managing Director and Chairman of the Executive Committee of Qatar Rail since March 2011.

His appointment to head the rail sector comes in light of the strategic importance of the rail projects to support the country's transportation and logistics infrastructure, especially with the launch of the first phase of the Doha Metro project in May 2019, which marks a significant milestone in Qatar's development journey.

His Excellency was the Group Chief Executive Officer of Barwa, Qatar's leading Real Estate Development and Investment holding Group from April 2011 until May 2014. Prior to joining Barwa, His Excellency was the Chief Executive Officer of Smeet, an affiliate of Qatari Diar Group, serving the company since its formation in 2008 until March 2011. His Excellency held various leadership and senior project management positions from 1996 to 2008 with The Qatar General Electricity & Water Corporation (KAHRAMAA), where he has managed multibillion dollar infrastructure projects.

Our Board Members | Appendix 1:

Board of Directors Profiles

His Excellency is Board Member and Chairman of Executive Committee of Qatar Rail and Chairman of Al Meera Consumer Goods Company. His Excellency served on the Boards of many high-profile organizations like Qatari Diar Group, Barwa, HOCHTEIF and Qatar National Broadband Network Co. and Barwa Bank Group.

Born in Qatar in 1975, His Excellency holds a Masters degree in Business Administration (MBA) in 2006 and Bachelors in Electrical Engineering (BSc) in 1996 from Qatar University.

Mr. Ali Hilal Ali Omran Al-Kuwari

Vice-Chairman of the Board of Directors
Nominated by Qatar Holding L.L.C.

Engineer Ali Hilal Al Kuwari serves as the Vice Chairman of the Board of Directors at Baladna Company. Additionally, he also holds the position of Chief Executive Officer at Hassad Food Company since August 2023.

has held several leadership positions within Hassad Company, for example Vice President at Hassad Since 2016.

Previously, Al-Kuwari held a number of leading positions in Hassad, such as the Director of "Project Management" Department.

Moreover, he spent around 10 years at Qatar General Electricity & Water Corporation "Kahramaa", where he worked in different senior positions like Director of "Engineering Contracts" Department.

Al-Kuwari holds an Engineering degree from Qatar University and an MBA from Northampton University in the UK.

Al-Kuwari is Vice Chairman of the Board of Directors and Chairman of the Tenders and Auctions Committee of Al Meera Consumer Goods Company.

Our Board Members | Appendix 1:

Board of Directors Profiles

Prof. Dr. Khalid Ibrahim Al- Sulaiti

Member of the Board of Directors
Elected by the shareholders

Khalid Ibrahim Al-Sulaiti, Ph.D., is currently the General Manager of Katara Cultural Village Foundation and brings 20+ years of progressive experience in academia, marketing, and management positions spanning several sectors. His expertise and insights are utilized on several committees and boards.

He embarked on his career path as Director of Information and Market Relations at Qatar Exchange (1998-2000) while concurrently serving as Acting Dean of College of Business and Economic at Qatar University (1998-2001) and as Dean of Student Affairs at Qatar University (2000-2001). Between 2001 and 2006, Dr Al-Sulaiti served as the General Manager of the Institute of Administrative Development and as Dean of Academic Affairs at the Ahmed Bin Mohamed Military College between 2005 and 2007.

From 2007 to 2009, he accepted to lead Barwa Bank as CEO of its Steering Committee, a period during which he also briefly served as General Manager of First Investment Company (2008). Further, Dr Al-Sulaiti drove the growth of First Finance Company as its CEO (2007-2012). He continues to be a Senior Consultant to Barwa Real Estate Company since 2006.

Since 2014, he has been associated with the Katara initiative; first as Manager of Katara Restaurants Company (2014-present), then as Manager Katara Hills Company (2016-present) and as General Manager Katara Cultural Village Foundation (2012-present).

A thought-leader and an innovator, Dr Al-Sulaiti graduated with a BA in International Business from University of Bridgeport, US (1992) and obtained an MBA with concentration in Finance from the same alma mater (1994). He was awarded the Doctor of Philosophy in Marketing by Strathclyde University, Scotland in 1997. He was made an Associate Professor of Marketing in 2004.

Dr Al-Sulaiti's activism and contribution to nearly a dozen local entities as committee or board member reaches beyond Qatar with his involvement in international fora. He is the President of Global Public Diplomacy Network and a Member of Beta Gamma Sigma at his former university in the United States. He has authored several papers on the banking and securities market.

Among his accolades, Dr Al-Sulaiti was named among the 500 Strongest Personalities in the Middle East by Arabian Business in 2011 and was recognized again at the Arab Tourism Oscar Award most recently in 2017.

Dr Al-Sulaiti is a member of the Board of Directors, Chairman of the Remuneration and Nominations Committee of Al Meera Consumer Goods Company.

H.E. Sheikh/ Fahad bin Falah bin Jassim Al Thani

A representative of the White Rock Trading and Contracting Company
Member of the Board of Directors
Elected by the shareholders

H.E. Al-Sheikh/ holds a bachelor's degree in Business Administration - Finance, from George Washington University, USA, for the year 2014.
He also holds a Master's Degree in International Politics from University College London, UK in 2015.

H.E. is an expert in the field of finance management and has a long experience in auditing and financial control. He is currently a member of the Board of Directors and a member of the Audit Committee at Ahli Bank since 2014.

He is also the Senior Financial Analyst/Manager for major projects at "Qatargas" since 2016. He is also a member of the Board of Directors and Chairman of the Audit Committee at Al Meera Consumer Goods Company.

Mr. Mohammad Abdulla Al Mustafawi Al Hashemi

Member of the Board of Directors
Elected by the shareholders

Mr. Hashemi has a degree in Bachelor of Science — Business Administration Marketing from University of Denver, Colorado, U.S.A.

He is the Managing Director of the Private Business Sector since 2007.

Mr. Hashemi has other experience as the Senior Marketing Analyst/Director of Marketing Development of Qatar Industrial Development Bank from 1997 to 2005. He was the Business Development Director of Gulf Warehousing Company from 2005 to 2007 and has held Board Membership of Al Ahli Club from 2000 to 2007.

He is a member of the Tender and Rent Committee and a member of the Committee for Rewards and Nominations.

Our Board Members | Appendix 1:

Board of Directors Profiles

Mr. Ahmed Abdullah Mohammed Al-Khulaifi

Member of the Board of Directors
Elected by the shareholders

Currently, Mr. Ahmed Abdullah Mohammed Al-Khulaifi is an elected member of the Board of Directors of Al Meera Consumer Goods Company. He is also a member of the Audit Committee of Al Meera. Al-Khulaifi previously served as a member of the Board of Directors of Al Meera Consumer Goods Company in 2010-2019. Al-Khulaifi has held a number of leadership positions, most notably as Assistant Minister for Administrative Affairs at the Supreme Council of Health since 2009, and as Chairman and Managing Director of Al Jazeera Media Network 2007-2009.

In addition, he served as the Deputy General Manager for Corporate Support and DAGOC - Doha Asian Games Organising Committee 2003-2007.

Mr. Al-Khulaifi also held several positions in various educational institutions and government departments, where he worked administratively in the Ministry of Commerce and Industry from 1993 to 1990, in addition to his work in teaching in the field of business administration at Qatar University from 1993 to 2001.

He is a member of the Board of Directors and a member of the Audit Committee of Al Meera Consumer Goods Company.

Mr. Hetmi Ali Khalifa Al Hitmi

Member of the Board of Directors
Elected by the shareholders

An academic background in business and administration has enabled Hitmi Ali Khalifa Al-Khalifa to lead the charge at several of Qatar's iconic brands and companies.

He is the founder of Ali Bin Khalifa Al Hitmi & Co, an eponymous business that has consistently seen growth since its inception in 1963. Between 1972 and 1995 he was the Head of the Consultative Council of Qatar, an important period in the history of Qatar which saw the country register impressive social and economic changes. He was eventually made the President of the Council.

He serves as Honorary Chairman of Qatar Navigation Q.S.C., where he also previously held the position of a Director; at Milaha, an integrated transport and supply-chain entity, as a Board Member; at Al Hitmi Property Development, a group specializing in urban regeneration, as Chairman; at Ali Bin Khalifa Al-Hitmi & Co, one of the largest property developers in Qatar, as Board Member; at Al-Hitmi Facility Management, a premium property management firm, as Board Member.

His previous affiliations include chairmanship of Barwa Real Estate Company Q.S.C., as a Board Member of Nakilat, as a Board Member of Doha Insurance, as Chairman of Al Arabi Sports Club, as Board Member of Qatar National Bank, and as Board Member of Qatar Electricity & Water Company.

In 2012, prestigious Middle East-based publication, Arabian Business, named Hitmi Ali Khalifa Al-Khalifa as the World's Most Influential Arabs in its Arabian Business Power 500 rankings.

Al Hitmi is a member of the Board of Directors, a member of the Audit Committee and Rewards and Nominations Committee of Al Meera Consumer Goods Company.

Executive Management Profile | Appendix 2

Executive Management Profile

Mr. Yousef Ali Al Obaidan

Chief Executive Officer

Yousef Ali Al Obaidan is the CEO of Al Meera Group. As an established business leader, Yousef has held a number of senior executive roles and high-profile remits across Qatar's largest establishments, having spearheaded the operations and business growth of one of the most prominent investment banking firms in Qatar, and served on the board of several prestigious local and regional organizations.

Yousef's career boasts a spate of landmark transactions and large-scale assignments in Qatar's business and investment sector. Prior to joining Al Meera, Yousef was the Acting Chief Executive Officer at The First Investor (TFI), Barwa Bank's investment banking firm, and one of the leading firms in this sector in Qatar. During his tenure at TFI, Yousef was central to the group's operational efficiency and effectiveness, investment product innovation, portfolio diversification and expansion into new markets, among many other achievements. Under his leadership and management, the group completed a major restructuring operation, several landmark transactions, and the best-performing exit from the firm's largest investment project.

Yousef was also on the board of several prestigious organizations in Qatar. He serves as the Chairman of the Board at Tanween and at Emaded Equipment Leasing Company, as Vice Chairman of the Board at SMEET, and as board member at Qatari Diar – Saudi Bin Laden Group JV and Nuzul Holding and Barwa Real Estate Company, Waseef. Yousef graduated from California State University, where he obtained his bachelor's degree in finance, and later pursued his Master of Arts in Integrated Marketing & Communications.

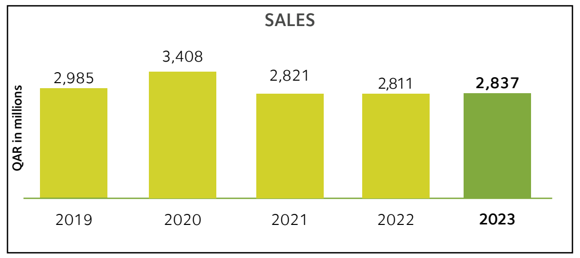
KEY FINANCIAL HIGHLIGHTS

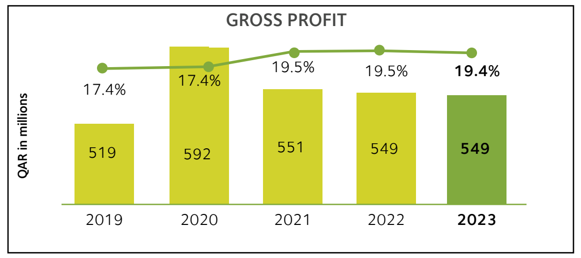
Key Financial Highlights

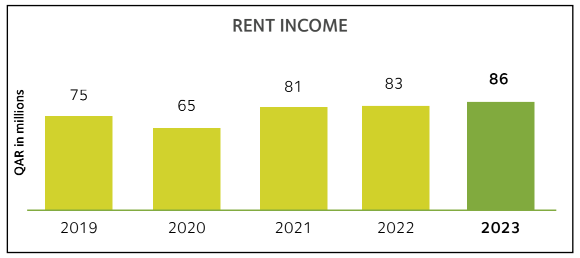
	2023	2022	2021	2020	2019
Statement of profit of loss items (QAR in millions)					
Sales	2,837	2,811	2,821	3,408	2,985
Gross profit	549	549	551	592	519
Rent income	86	83	81	65	75
Net profit attributable to equity holders of Parent	181	197	196	209	187
Statement of financial position (QAR in millions)					
Total non-current assets	2,225	2,217	2,224	2,015	1,964
Total current assets	686	747	632	725	582
Total assets	2,911	2,963	2,855	2,740	2,546
Total libilities	1,231	1,361	1,266	1,162	1,072
Total equity	1,680	1,602	1,590	1,578	1,474
Segment information (QAR in millions)					
Retail	90	114	121	151	114
Leasing	68	66	66	51	67
Investment	22	16	8	7	5
Key financial ratios					
Earnings per share	0.88	0.95	0.95	1.01	0.91
Dividend per share	0.85	0.45	0.90	0.90	0.85
Bonus share issue	-	0.03	-	-	-
Nominal value per share	1.00	1.00	1.00	1.00	1.00
Book value per share	7.97	7.59	7.75	7.68	7.17
Price per share	13.79	15.78	19.60	20.71	15.30
Price earnings ratio	15.68	16.53	20.57	20.41	16.89
Gross profit margin	19.4%	19.5%	19.5%	17.4%	17.4%
Net profit margin	6.4%	7.0%	7.0%	6.1%	6.3%
Current ratio	96.7%	91.1%	94.5%	97.3%	86.4%

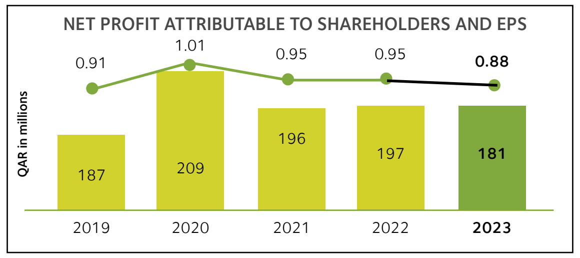
* To comply with the regulations of Qatar Financial Market Authority in 2019, Al Meera implemented a 10 for 1 share split which resulted in increase in share capital to 200,000,000 shares with nominal value of QAR 1 per share

* On 9 April 2023 upon obtaining approval from the shareholders in the Annual General Meeting, the Company issued 6,000,000 bonus shares at the rate of 3 shares for every 100 shares held by the shareholders, which resulted in increase in share capital to 206,000,000 shares with nominal value of QR. 1 per share.









05

INDEPENDENT **AUDITOR'S REPORT**

Independent Auditor's Report

To the Shareholders of Al Meera Consumer Goods Company Q.P.S.C. Doha, Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al Meera Consumer Goods Group Q.P.S.C (the "Parent Group") and its subsidiaries (together referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs).

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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 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 Matters

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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*How our audit addressed the key audit matter*
Impairment of goodwill As at 31 December 2023, the carrying value of goodwill amounted to QR. 344 million, or 12% of total assets as disclosed in Note 12. In accordance with IAS 36 Impairment of Assets, an entity is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment. An impairment is recognised on the consolidated statement of financial position when the recoverable amount is less than the net carrying amount in accordance with IAS 36, as described in note 12 to the consolidated financial statements. The determination of the recoverable amount is mainly based on discounted future cash flows. We considered the impairment of goodwill to be a key audit matter, given the method for determining the recoverable amount and the significance of the amount in the Group's consolidated financial statements.	We tested the impairment models and the key assumptions used by management with the involvement of our valuation specialists. Our audit procedures included the following: • Understanding the business process for the impairment assessment, identifying the relevant internal controls and assessing whether those controls have been appropriately designed and implemented. • Evaluating whether the cash flows in the models used by management to calculate the recoverable value are reasonable and are in accordance with the requirements of IFRSs. • Reviewing underlying data for each such asset (or CGU, as applicable) to assess the accuracy of the computations and the overall reasonableness of key assumptions. • Assessing the methodology used by the Group to estimate the Weighted Average Cost of Capital (WACC). • Performing a sensitivity analysis on the key assumptions used by management to understand the extent to which these assumptions need to be adjusted before resulting in additional impairment loss. We assessed the disclosure in the financial statements relating to this matter against the requirements of IFRSs.
Revenue recognition The Group recognised revenue of QR. 2.8 billion during the year ended 31 December 2023. Revenue from sales of goods to retail customers is recognized when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment. Revenue recognition is considered a key audit matter given the complexity of the IT systems involved, the significance of the amount to the consolidated financial statements and the high volume of transactions and changes caused by price updates and promotional offers affecting the various products and services offered. Revenue for the year is disclosed in note 5 to the consolidated financial statements.	We performed the following procedures, inter alia, to address the key audit matter: We inquired with the sales and marketing department and other process owners to understand the revenue recognition process. We assessed the controls over revenue recognition to determine if they had been appropriately designed and implemented and were operating effectively. Due to the high reliance of revenue recognition on information technology systems, we evaluated the integrity of the general IT control environment and tested the operating effectiveness of key IT application controls. We assessed the Group's revenue recognition policies against the requirements of IFRSs. We performed a statistical regression analysis on revenue using cost of sales as a predicting variable. We agreed the revenue recorded in the point of sales system, on a sample basis, to the revenue recorded in the accounting records and supporting documentation. We selected revenue transactions recorded just before and after the reporting date, on a sample basis, and determined that these transactions have been recorded I the correct accounting period. We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Key Audit Matters (continued)

Key Audit Matters	*How our audit addressed the key audit matter*
Change in the Enterprise Resource Planning (ERP) System On 1 July 2023, the group migrated to a new ERP system in order to meet its reporting objectives and to increase efficiencies by automating processes and controls. The implementation of the ERP system resulted in many changes to the Group's key processes and controls which are used to determine the amounts presented in the consolidated financial statements. These controls need to meet the following objectives, amongst others: • Protect the IT infrastructure, including the data and applications residing within the IT infrastructure; • Ensure transactions are processed correctly; and • Limit the potential for misstatements to the underlying data and information produced by the application Management's migration strategy, led by an internal steering committee, included the following: • Performing a reconciliation of the account balances to ensure that the migrated values matched to those in the original system as at the date of migration; • Uploading the reconciled data to the new general ledger system after confirmation of the accuracy of the amounts and agreeing these amounts to the abovementioned reconciliation; • Testing the functionality and accuracy of the changes to the relevant processes and controls; and • Setting appropriate user access on the new general ledger system. Inaccurate migration of data, unauthorised or extensive access rights increases the risk of intended or unintended manipulation of data that could have a material effect on the amounts reported in the consolidated financial statements. Therefore, we considered this area as a key audit matter.	We performed the following procedures, inter alia, relating to this matter: We obtained an understanding of management's ERP system implementation and data migration strategy to identify the methodology followed by the Group for the system migration and identified risks associated with the new ERP system. We identified relevant controls related to the governance of the ERP implementation and data migration, including project and change management, and assessed these controls to determine if they had been appropriately designed and implemented. We tested IT general controls over the new ERP system, including access security, system implementation, program changes, data center and network operations to determine if these controls were operating effectively. We considered the effects of exceptions in the testing on our overall audit strategy, which included identifying and testing mitigating controls, including manual controls. We performed following procedures to test the migration of data between the systems: • We agreed the amounts reported in the accounting records in the legacy system as at 30 June 2023 to the amounts reported in the accounting records in the new system at this date; and • We reviewed the data after migration to determine that the accounts and amounts were correctly transferred to the new application software.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, which will be available for us after the date of this auditors' report.

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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies law, and for such internal control as management 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, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities 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 a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

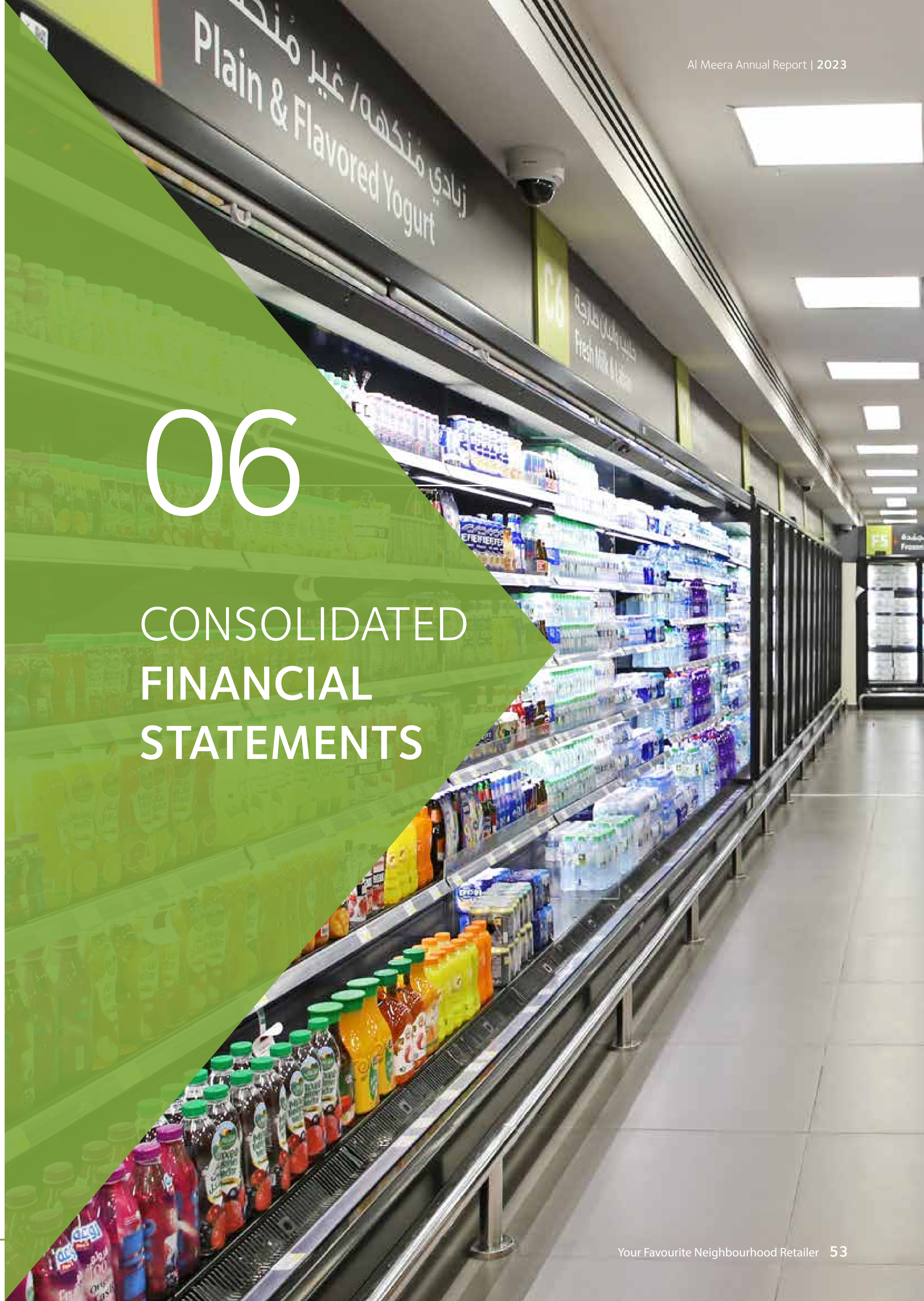
Further, as required by the Qatar Commercial Companies Law, we report the following:

- We are also in the opinion that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the director's report are in agreement with the Group's financial statements.
- We obtained all the information and explanations which we considered necessary for our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and its subsequent amendments and the Group's Articles of Associations were committed during the year which would materially affect the Group's financial position or its financial performance.

Doha -Qatar
30 March 2024

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156



06 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023	2022
		QR.	QR.
Sales	5	**2,836,516,511**	2,811,355,726
Cost of sales	6	**(2,287,556,794)**	(2,262,500,117)
Gross profit		**548,959,717**	548,855,609
Rental income		**85,730,305**	83,172,418
Other income	7	**34,560,285**	21,200,664
General and administrative expenses	8	**(355,426,778)**	(317,873,766)
Depreciation and amortisation	10,11 & 13	**(110,607,664)**	(119,356,716)
Share of loss of an associate	15	**(29,964)**	(27,601)
Finance costs	34	**(22,128,109)**	(20,122,147)
Profit before tax		**181,057,792**	195,848,461
Income tax expense	9	**(937,189)**	(299,894)
Profit for the year		**180,120,603**	195,548,567
Attributable to:			
Equity holders of the parent		**181,146,545**	196,605,454
Non-controlling interests	33	**(1,025,942)**	(1,056,887)
		180,120,603	195,548,567
Earnings per share			
Basic and diluted earnings per share attributable to equity holders of the parent	31	**0.88**	0.95

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	2023	2022
		QR.	QR.
Profit for the year		**180,120,603**	195,548,567
Other comprehensive income *Items that will not be reclassified subsequently to consolidated statement of profit or loss*			
Net change in the fair value of financial assets at fair value through other comprehensive income	14	**(7,876,399)**	1,752,511
Total comprehensive income for the year		**172,244,204**	197,301,078
Attributable to:			
Equity holders of the parent		**173,270,146**	198,357,965
Non-controlling interests		**(1,025,942)**	(1,056,887)
		172,244,204	197,301,078

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023	2022
		QR.	QR.
ASSETS			
Non-current assets			
Property and equipment	10	**1,275,033,051**	1,214,493,482
Right-of-use assets	11	**204,478,852**	290,399,316
Goodwill	12	**344,097,998**	344,097,998
Intangible assets	13	**5,918**	116,794
Financial assets at fair value through other comprehensive income	14	**385,271,106**	367,024,588
Deferred tax assets	9	**936,596**	620,398
Investment in associate	15	**--**	--
Other non-current assets	17	**14,991,966**	15,231,166
Total non-current assets		**2,224,815,487**	2,231,983,742
Current assets			
Inventories	16	**345,033,100**	301,977,975
Trade and other receivables	17	**83,881,868**	125,537,890
Amounts due from a related party	26	**19,713,838**	19,640,595
Restricted bank balances	18	**79,002,434**	86,713,562
Cash and bank balances	19	**158,828,124**	197,528,169
Total current assets		**686,459,364**	731,398,191
TOTAL ASSETS		**2,911,274,851**	2,963,381,933
EQUITY AND LIABILITIES			
Equity			
Share capital	20	**206,000,000**	200,000,000
Legal reserve	21	**901,289,603**	901,289,603
Optional reserve	21	**21,750,835**	21,750,835
Fair value reserve	21	**24,631,894**	22,224,122
Retained earnings		**488,179,840**	417,820,481
Equity attributable to equity holders of the parent		**1,641,852,172**	1,563,085,041
Non-controlling interests	33	**38,201,073**	39,227,015
Total equity		**1,680,053,245**	1,602,312,056
Non-current liabilities			
Loans and borrowings	22	**284,500,740**	244,052,206
Lease liabilities	24	**182,837,794**	249,209,343
Employees' end of service benefits	23	**46,262,181**	44,785,409
Retentions payable	25	**6,275,488**	3,668,958
Deferred tax liability	9	**1,114,987**	--
Total non-current liabilities		**520,991,190**	541,715,916
Current liabilities			
Trade and other payables	25	**622,020,753**	714,095,406
Lease liabilities	24	**42,833,825**	61,893,810
Loans and borrowings	22	**45,375,838**	43,364,745
Total current liabilities		**710,230,416**	819,353,961
Total liabilities		**1,231,221,606**	1,361,069,877
TOTAL EQUITY AND LIABILITIES		**2,911,274,851**	2,963,381,933

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H.E. Abdulla Abdulaziz Abdulla Turki Al-Subaie
Chairman

....

Mr. Ali Hilal Ali Omran Al- Kuwari
Vice Chairman

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023	2022
		QR.	QR.
OPERATING ACTIVITIES			
Profit before tax		**181,057,792**	195,848,461
Adjustments for:			
Depreciation and amortisation	10,11&13	**110,607,664**	119,356,716
Interest income	7	**(5,432,945)**	(4,520,524)
Provision for/(reversal of) credit loss allowance	17 & 19	**7,363,357**	(456,282)
Provision for employees' end of service benefits	23	**6,338,673**	7,407,990
Provision for slow moving inventories – net	16	**5,138,898**	1,515,846
Share in loss of an associate	15	**29,964**	27,601
Gain on disposal of property and equipment		**(65,345)**	(35,179)
Dividend income	7	**(23,267,812)**	(15,755,943)
Finance costs	34	**22,128,109**	20,122,147
Operating profit before changes in working capital		**303,898,355**	323,510,833
Working capital changes:			
Inventories		**(48,194,022)**	(95,030,924)
Trade and other receivables		**36,875,233**	(74,257,270)
Amounts due from related parties		**(73,243)**	(295,954)
Trade and other payables		**(78,151,778)**	137,473,034
Cash flows from operating activities		**214,354,545**	291,399,719
Employees' end of service benefits paid	23	**(4,861,901)**	(5,670,546)
Income tax paid		**(127,756)**	(176,405)
Payment of contribution to social and sports fund		**(4,494,816)**	(4,618,114)
Net cash flows from operating activities		**204,870,072**	280,934,654
INVESTING ACTIVITIES			
Purchase of financial assets at fair value through other comprehensive income	14	**(214,947,451)**	(332,820,264)
Proceeds from sale of financial assets at fair value through other comprehensive income	14	**188,824,534**	323,126,836
Purchase of property and equipment		**(131,060,716)**	(68,124,340)
Proceeds from disposal of property and equipment		**1,242,713**	211,887
Net movement in deposits maturing after 90 days		**--**	17,100,000
Net movement in restricted bank accounts	18	**7,711,128**	(4,380,658)
Dividends received	7	**23,267,812**	15,755,943
Interest received		**6,233,029**	3,781,789
Net cash flows used in investing activities		**(118,728,951)**	(45,348,807)
FINANCING ACTIVITIES			
Dividends paid		**(97,711,178)**	(175,575,471)
Net movement in loans and borrowings		**41,079,051**	(30,594,469)
Repayment of principal portion of lease liabilities		**(45,153,922)**	(48,785,076)
Repayment of interest portion of lease liabilities		**(8,647,927)**	(14,380,264)
Finance costs paid		**(14,543,061)**	(11,689,731)
Net cash flows used in financing activities		**(124,977,037)**	(281,025,011)
Net decrease in cash and cash equivalents		**(38,835,916)**	(45,439,164)
Cash and cash equivalents at 1 January		**197,664,040**	243,103,204
Cash and cash equivalents at 31 December	19	**158,828,124**	197,664,040

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Equity attributable to equity holders of the parent							
	Share capital	Legal reserve	Optional reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at 1 January 2022	200,000,000	901,289,603	21,750,835	56,070,081	370,111,373	1,549,221,892	40,283,902	1,589,505,794
Profit for the year	--	--	--	--	196,605,454	196,605,454	(1,056,887)	195,548,567
Reclassification of gains on sale of financial assets at fair value through other comprehensive income	--	--	--	(35,598,470)	35,598,470	--	--	--
Net change in fair value of financial assets (Note 14)	--	--	--	1,752,511	--	1,752,511	--	1,752,511
Appropriation for contribution to social and sports fund (Note 30)	--	--	--	--	(4,494,816)	(4,494,816)	--	(4,494,816)
Dividends paid (Note 29)	--	--	--	--	(180,000,000)	(180,000,000)	--	(180,000,000)
Balance at 31 December 2022	200,000,000	901,289,603	21,750,835	22,224,122	417,820,481	1,563,085,041	39,227,015	1,602,312,056
Profit for the year	--	--	--	--	181,146,545	181,146,545	(1,025,942)	180,120,603
Reclassification of gains on sale of financial assets at fair value through other comprehensive income	--	--	--	10,284,171	(10,284,171)	--	--	--
Net change in fair value of financial assets (Note 14)	--	--	--	(7,876,399)	--	(7,876,399)	--	(7,876,399)
Appropriation for contribution to social and sports fund (Note 30)	--	--	--	--	(4,503,015)	(4,503,015)	--	(4,503,015)
Bonus shares issued (Note 20)	6,000,000				(6,000,000)	--		--
Dividends paid (Note 29)	--	--	--	--	(90,000,000)	(90,000,000)	--	(90,000,000)
Balance at 31 December 2023	**206,000,000**	**901,289,603**	**21,750,835**	**24,631,894**	**488,179,840**	**1,641,852,172**	**38,201,073**	**1,680,053,245**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

On 13 July 2004, the Law No. (24) for 2004 was issued in order to transfer the former Consumers Cooperative Societies to Qatari Shareholding Group with a capital of QR 100,000,000, thus, incorporating a new Group Al Meera Consumer Goods Group Q.P.S.C (the "Group"), which is governed by the Qatar Commercial Companies Law No. 11 of 2015. The Group was registered under commercial registration number 29969 on 2 March 2005. The Group's registered office address is at P.O. Box 3371 Doha, State of Qatar.

On 8 October 2012, the shareholders approved the increase in share capital to 20,000,000 shares with nominal value of QR. 10 per share. The 10,000,000 shares were issued at QR. 95 per share and subscription was closed on 10 February 2013. To comply with the regulations of Qatar Financial Markets Authority in 2019, the Group implemented a 10 for 1 share split with par value of QR. 1 per share which resulted in increase in share capital to 200,000,000 shares with nominal value of QR. 1 per share.

On 9 April 2023 upon obtaining approval from the shareholders in the Annual General Meeting, the Company issued 6,000,000 bonus shares at the rate of 3 shares for every 100 shares held by the shareholders, which resulted in increase in share capital to 206,000,000 shares with nominal value of QR. 1 per share.

The Group and its subsidiaries (together the "Group") are mainly involved in wholesale and retail trading of various types of consumer goods commodities, owning and managing consumer outlets and trading in food stuff and consumer goods.

The Group is listed on the Qatar Stock Exchange and 26% ownership of the Group is held by Qatar Holding L.L.C.

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 30 March 2024.

The principal subsidiaries and associates of the Group, included in the consolidated financial statements of Al Meera Consumer Goods Group Q.P.S.C are as follows:

Name of subsidiaries and associates	*Country of incorporation*	*Relationship*	*Group effective shareholding percentage*	
			2023	*2022*
Al Meera Holding Company W.L.L.	Qatar	Subsidiary	**100%**	100%
Al Meera Supermarkets Company W.L.L.	Qatar	Subsidiary	**100%**	100%
Al Meera Development Company W.L.L.	Qatar	Subsidiary	**100%**	100%
Qatar Markets Company W.L.L.	Qatar	Subsidiary	**100%**	100%
Al Meera Bookstore W.L.L.	Qatar	Subsidiary	**100%**	100%
MAAR Trading & Services Company W.L.L.	Qatar	Subsidiary	**100%**	100%
Al Meera Logistics Services Company W.L.L.	Qatar	Subsidiary	**100%**	100%
Al Oumara Bakeries Company W.L.L.	Qatar	Associate	**51%**	51%
Al Meera Oman S.A.O.C	Oman	Subsidiary	**70%**	70%
Al Meera Markets S.A.O.C	Oman	Subsidiary	**70%**	70%

Al Meera Holding Company W.L.L. ("Al Meera Holding") is a limited liability Company, incorporated in the State of Qatar. The Company is a holding company for holding the Group's investments and managing its subsidiaries, owning patents, trademarks and real estate needed to carry out its activities.

Al Meera Supermarkets Company W.L.L. ("Al Meera Supermarkets") is a limited liability Company incorporated in the State of Qatar. The Company is engaged in the establishment and management of business enterprise and investing therein, owning shares, moveable and immoveable properties necessary to carry out its activities.

Al Meera Development Company W.L.L. ("Al Meera Development") is a limited liability Company, incorporated in the State of Qatar. The Company is engaged in establishment and management of business enterprise and investing therein, owning patents, trade-works and real estate needed to carry out its activities.

Qatar Markets Company W.L.L. ("Qatar Markets") is a limited liability Company, incorporated in the State of Qatar. The Company is engaged in the sale of food stuff, household items and garments.

Al Meera Bookstore W.L.L. ("Al Meera Bookstore") is a limited liability Company incorporated in the State of Qatar. The Company is engaged in the sale of stationery, computer accessories, books and toys.

MAAR Trading & Services Co W.L.L. ("MAAR Trading") is a limited liability Company incorporated in State of Qatar. The Company is engaged in the sale of food stuff and household items.

Al Meera Logistics Services W.L.L. ("Al Meera Logistics") is a limited liability Company, incorporated in the State of Qatar. The Company is engaged in the warehousing and delivery truck services. In December 2019, Al Meera Logistics was fully acquired by the Parent Company and was accounted as a subsidiary. As of the reporting date, this Company has not commenced its commercial operations.

Al Oumara Bakeries Company W.L.L. ("Al Oumara Bakeries") is a limited liability Company, incorporated in the State of Qatar. The Company is engaged in manufacture and sale of bakery products. The Company has temporarily ceased operations till further restructuring.

Al Meera Oman S.A.O.C ("Al Meera Oman") is a limited liability Company, incorporated in Sultanate of Oman. The Company is engaged in the construction and management of shopping centers and related facilities.

Al Meera Markets S.A.O.C. ("Al Meera Market") is a limited liability Company, incorporated in Sultanate of Oman. The Company is engaged in the establishment and operation of shopping centers, supermarkets and hypermarkets.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards)

The material accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of January 1, 2023:

2.1 New and amended IFRS Accounting Standards and interpretations that are effective for the current year

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17) IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	1 January 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards)(CONTINUED)

2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates The IASB has amended IAS 8 to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. The IASB has retained the concept of changes in accounting estimates in the Standard, even though the definition was deleted, with the following clarifications: ▪ A change in accounting estimate that results from new information or new developments is not the correction of an error ▪ The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	1 January 2023
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments provide a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.	1 January 2023

2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued) The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: ▪ A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: • Right-of-use assets and lease liabilities • Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset ▪ The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date	1 January 2023
Amendments to IAS 12 Income Taxes —International Tax Reform—Pillar Two Model Rules The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes. The group is not impacted by these changes to the IAS.	1 January 2023
Amendments to IAS 12 Income Taxes The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.	1 January 2023

2.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted

The Group has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	January 1, 2024. Early application permitted

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards) (CONTINUED)

2.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current (continued) In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent. An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The 2022 amendments deferred the effective date of the amendments to IAS 1 Classification of Liabilities as Current or Non-current published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.The amendments are applied retrospectively.	January 1, 2024. Early application permitted
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	Available for optional adoption/ effective date deferred indefinitely
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions The amendments requires a seller-lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.	January 1, 2024. Early application permitted
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.	January 1, 2024. Earlier application is permitted

2.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements (continued) The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements: ▪ *The terms and conditions of the arrangements* ▪ *The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;* ▪ *The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;* ▪ *Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement;* ▪ *Liquidity risk information* The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.	January 1, 2024. Earlier application is permitted
Amendments to IAS 1 Presentation of Financial Statements – Non-Current Liabilities with Covenants In January 2020, the IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current (the 2020 Amendments). One of the requirements prescribed by the 2020 Amendments related to the classification of liabilities subject to covenants (e.g. a bank loan where the lender may demand accelerated repayment if financial covenants are not met). The 2020 Amendments provided that if an entity's right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at the end of the reporting period. Several concerns were raised about the outcome of these requirements, therefore, the mandatory effective date was deferred. In order to address these concerns, the IASB has now issued the 2022 Amendments. The 2022 Amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. An entity is required to disclose information about these covenants in the notes to the financial statements. The Amendments address the concerns raised by stakeholders on the effects of the amendments to IAS 1 Classification of Liabilities as Current or Non-current related to classification of liabilities with covenants. Under the 2022 Amendments, a covenant affects whether right to defer settlement exists at the end of the reporting period if compliance with the covenant is required on or before the end of the reporting period. The amendments are applied retrospectively with early application permitted.	January 1, 2024
Amendments to IAS 21 - Lack of Exchangeability An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations	January 1, 2025. Earlier application is permitted

Management anticipates that these new standards, interpretations, and amendments will be adopted in the Group's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments as highlighted in previous paragraphs, may have no material impact on the financial statements of the Group in the period of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB). The consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note 4.

Basis of preparation

These consolidated financial statements are prepared under the historical cost convention except for financial assets at fair value through other comprehensive income that have been measured at fair value.

The consolidated financial statements are presented in Qatari Riyals ("QR."), which is the Group's functional and presentation currency.

Basis of consolidation

These consolidated financial statements include the financial statements of the Group and the financial statements of the entities controlled by the Group and its subsidiaries and associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Group's equity there in. Non-controlling interest consists of the amount of those interest at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest have a blindly obligation and are able to make an additional investment to cover the losses.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The Group's policy for goodwill arising on the acquisition of a subsidiary is described in Note 12.

Revenue recognition

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue when it transfers control over goods or services to its customers.

Sale of goods – retail

IFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. For retail sales, there exists a 14-day right of return and accordingly a refund liability and a right to the returned goods are recognised in relation to the goods expected to be returned. The entity uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Revenue is measured at fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The entity assesses its revenue arrangements against specific criteria

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Sale of goods – retail (continued)

to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its agreements. Revenue is recognised in the consolidated statement of profit or loss to the extent that it is probable that the economic benefits will flow to the entity and the revenue and costs, if and when applicable, can be measured reliably.

The Group has a loyalty points programme, Al Meera Rewards, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed, as described in estimate for stand-alone selling price – Al Meera Rewards Loyalty Programme. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are made through revenue.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Rental income

Rental income is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value.

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

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Land and capital work-in -progress is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	2.5%
Refrigerators and equipment	10%
Motor vehicles	20%
Furniture and fixtures	20%
Computer equipment	20% - 33%
Leasehold and other improvements	10% - 33%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognised.

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

The asset's residual values, useful life and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Plots of land donated by Government are recorded at nominal amounts estimated by management.

Capital work-in-progress

The costs of capital work-in-progress consist of the contract value, and directly attributable costs of developing and bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. The costs of capital work-in-progress will be transferred to property and equipment when these assets reach their working condition for their intended use. The carrying values of capital work-in-progress are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, investment in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Losses in excess of the cost of the investment in associates are recognised when the Group has incurred obligations on its behalf or has legal obligations. Goodwill relating to associates are included in the carrying amounts of the investment and are not amortised.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Where there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate. Unrealised gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investment in associates

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is an objective evidence that the investment in the associate is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the consolidated statement of profit or loss.

Financial instruments

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

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

Financial assets

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

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

Classification of financial assets

(i) Debt instruments designated at amortised cost

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

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

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Amortised cost and effective interest rate (EIR) method

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

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

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

Interest income is recognised in profit or loss and is included in the "other income - interest income" line item.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other income' line item in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

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

(i) Significant increase in credit risk

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

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

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the group.

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

Derecognition of financial assets

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

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

Financial liabilities measured subsequently at amortised cost

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

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Inventories

Accounting policy for the period from 1 January 2023 to 30 June 2023

Inventories are stated at the lower of cost and net realisable value. Costs include those expenses incurred in bringing each product to its present location and condition. Cost is determined using the First In First Out (FIFO) method. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

When inventories become old or obsolete, an estimate is made of their net realisable value. For individually 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 ageing or obsolescence, based on historical realisable value. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

Accounting policy effective from 1 July 2023

Inventories are stated at the lower of cost and net realisable value. Costs include those expenses incurred in bringing each product to its present location and condition. Cost is determined using the weighted average cost method. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

When inventories become old or obsolete, an estimate is made of their net realisable value. For individually 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 ageing or obsolescence, based on historical realisable value. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures financial instruments, such as financial assets at fair value through other comprehensive income at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IAS 17 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign currencies

Foreign currency translation

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

The assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Employees' end of service benefits

End of service gratuity plans

The Group provides end of service benefits to its employees in accordance with employment contracts and Qatar Labour Law and Omani Labour Law. The entitlement to these benefits is based upon the employees' final salary and accumulated period of service as at the reporting date subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

(a) Pension plan (Qatar)

Under Law No. 24 of 2002 on Retirement and Pension, the Group is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

(b) Pension plan (Oman)

The Group is required to make contributions to the Omani Public Authority for Social Insurance Scheme under Royal Decree 72/91 for Omani employees calculated as a percentage of the Omani employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions

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

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

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

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's top management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Taxes

Taxes are calculated based on tax laws and regulations in other jurisdictions in which the Group operates. Tax provision is made based on an evaluation of the expected tax liability.

Current income tax

Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the financial reporting year.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Deferred tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Leases

The Group as lessee

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

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

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

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

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

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

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

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

The Group did not make any such adjustments during the periods presented.

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

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

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

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

Future cash flows to which the Group is potentially exposed to and that are not reflected in the measurement of lease liabilities includes the following:

(i) Variable lease payments

Estimation uncertainty arising from variable lease payments

Some leases contain variable payment terms that are linked to sales generated from a store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in the consolidated statement of profit or loss in the year in which the condition that triggers those payments occurs.

(ii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group or both parties mutually agreeing on renewed terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e. those lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase options). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating 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.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividend distribution

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the consolidated financial statements when material.

Current versus non-current classification

The Group presents assets and liabilities based on current/ non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

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

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

Critical judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Satisfaction of Performance Obligations under IFRS 15 Revenue from Contract with Customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. For sale of goods through retail outlets, revenue is recognised by the Group at a point in time when the goods are sold and control is transferred to the customer.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment, the entity assesses the impact of any variable consideration in the contract, due to discounts, rights of returns, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "expected-value" method in IFRS 15 whereby the transaction price is determined by reference to a sum of probability weighted amounts.

Determining whether the loyalty points provide material rights to customers

The Group's retail segment operates a loyalty points programme, Al Meera Rewards, which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can be redeemed for free products, subject to a minimum number of points obtained. The Group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation.

The Group determined that the loyalty points provide a material right that the customer would not receive without entering into the contract. The free products that the customer would receive by exercising the loyalty points do not reflect the stand-alone selling price that a customer, without an existing relationship with the Group, would pay for those products. The customers' right also accumulates as they purchase additional products.

Principal versus agent consideration

For products sold to retail customers under certain standard operating agreements with suppliers, the Group evaluated whether they act as principal (i.e. report revenue on gross basis) or an agent (i.e. report revenues on net basis). The Group determined that they will report revenue for products sold under this arrangement on a gross basis that is the amounts collected from the customers are recorded as revenue, and amounts paid to suppliers are recorded as cost of sales.

Significant judgments are made by management when concluding whether the Group is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Group.

The assessment requires an analysis of key indicators, specifically whether the Group (in addition to other factors):

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

These indicators are used to determine whether the Group has exposure to the significant risks and rewards associated with the sale of goods or rendering of services. The Group is considered to be the principal as its controls the goods before they are transferred to the customers. This control is evidenced by the Group's responsibility to transfer the goods to the customers and having discretion in establishing prices subject to the price limit set by the Government of Qatar.

Although the trading agreements refer to mutually agreed pricing of products sold, the Group has leverage and does in fact set the prices based on input from the trading suppliers. Further, based on management's best judgment, inventory risk is carried by the Group as the mechanism of determining the fees payable to suppliers takes inventory losses into account.

Capitalisation of costs

Management determines whether the Group will recognise an asset from the costs incurred to fulfil a contract and costs incurred to obtain a contract if the costs meet all the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
b) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
c) the costs are expected to be recovered.

Such asset will be amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Capitalisation of borrowing costs

As described in note 3, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Capitalisation of borrowing costs commences when the Group incurs cost and undertakes activities that are necessary to prepare the assets for its intended use. Borrowing cost recognised during the year are disclosed in Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

Critical judgments (continued)

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

In this respect, the Group depreciates its buildings built on leased land based on their useful lives, which exceed the lease term in some cases (after the reasonably certain extension).

Business model assessment

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

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Recognition of goodwill at CGU level

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group allocated goodwill to cash-generating units, where each country / group of retail outlets represents a cash-generating unit for the Group's retail operations, as this represents the lowest level at which goodwill is monitored by management. In doing so, management has used its best judgment to conclude that the cash inflows of a CGU, is independent from inflows of other assets and CGU's. This conclusion was made on the basis of how management monitors the Group operations, taking into account interdependence between cash inflows from each locations resulting from revenue substitution.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.

Classification of associates. joint ventures and subsidiaries

The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgement as to whether the Group exercises control, significant influence or joint control over the investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of board of directors' representations, contractual arrangements and indicators of defacto control.

Changes to these indicators and management's assessment of the Power to control or influence may have a material impact on the classification of such investments and the Group's financial position, revenue and results.

The Group has classified its greater than 50% interest in Al Oumara Bakeries Group W.L.L. as associate. The Group considered the terms and condition of the agreements and the purpose and design of the entity. As per the agreements, the Group has no control over financial and operating policies of the entity. As such, the Group concluded that this Group was considered as associate.

Estimates

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

Estimating stand-alone selling price – Al Meera Rewards Loyalty Programme

The Group estimates the stand-alone selling price of the loyalty points awarded under the Al Meera Rewards programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying to the estimated redemption rate and to the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage, which represents the portion of the points issued that will never be redeemed.

The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated quarterly and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Group considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Group ensures that the value assigned to the loyalty points is commensurate to the standalone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required).

As points issued under the programme expire within one year, estimates of the stand-alone selling price are subject to significant uncertainty. Any significant changes in customers' redemption patterns will impact the estimated redemption rate. As at 31 December 2023, the estimated liability for unredeemed points was QR. 2,213,297 (2022: QR. 2,760,044) (Note 25).

Estimating variable consideration for returns

The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's 14 day returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

The refund liability relates to customers' right to return products within 14 days of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Discounting of lease payments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

Estimates (continued)

Grouping of right-of-use asset

The Group accounts and identifies assets as a portfolio based on its similar characteristics and has applied the requirements of IFRS 16 on estimates and assumptions that reflect the size and composition of that portfolio.

Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually 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 ageing or obsolescence, based on anticipated selling prices.

Impairment of tangible and intangible assets

The Group's management assess impairment of tangible and intangible assets with finite lives whenever there is an indication that these assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Estimated useful lives of property and equipment and intangibles

The Group's management determines the estimated useful lives of its property and equipment and intangible assets in order to calculate the depreciation and amortization. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

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

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

The Group's management reviews the residual value and useful lives annually and future depreciation and amortization charge would be adjusted where the management believes the useful lives differ from previous estimates.

Reference to Note 10 to the consolidated financial statements. The Group has made a key judgment related to the useful lives of the buildings built on leased lands (with shorter lease terms than the estimated useful lives). The costs of those buildings are depreciated over the useful lives as management is confident that the term of the underlying leases will be extended.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value. The recoverable amount of the cash generating unit is determined by management based on value in use calculation which uses cash flow projections based on forecast revenue and profit margin which have been projected for five years discrete period. The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast. The management used discount rates for Qatar Markets Group W.L.L. and Al Meera Market S.A.O.C., 10.3% and 7.6% respectively (2022: 6.9% and 7.6%) and terminal growth rate of 2.0% and 2.0%, respectively (2022: 2.0% and 2.0%).

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group performs the valuation by comparing to the entities who have the same business in the closest markets. The management establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Provision for expected credit losses of trade receivables and other financial assets

The Group uses a provision matrix to calculate ECLs for trade receivables and other financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other financial assets is disclosed in Note 35.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

5. SALES

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time in the following major product lines.

	2023 QR.	2022 QR.
Sale of goods – at a point in time		
Retail	**2,798,610,503**	2,784,819,248
Wholesale – corporate sales	**37,906,008**	26,536,478
	2,836,516,511	2,811,355,726

6. COST OF SALES

The Group cost of sales consist of inventory cost, shrinkage and wastage incurred, netted off against rebates received from suppliers.

	2023 QR.	2022 QR.
Cost of inventory	**2,259,023,938**	2,242,127,791
Other direct cost	**28,532,856**	20,372,326
	2,287,556,794	2,262,500,117

7. OTHER INCOME

	2023 QR.	2022 QR.
Dividend income	**23,267,812**	15,755,943
Interest income	**5,432,945**	4,520,524
Miscellaneous income	**5,859,528**	924,197
	34,560,285	21,200,664

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2023 QR.	2022 QR.
Salaries, wages and other benefits	**219,074,182**	206,869,816
Water and electricity	**34,162,527**	27,351,638
Repairs and maintenance	**20,476,539**	20,396,884
Bank charges, commission and credit card charges	**17,012,129**	17,887,549
Short term rent and staff accommodation expenses	**15,960,306**	9,490,614
Advertisement expenses	**9,654,269**	10,102,881
Board of Directors' remuneration (Note 26)	**7,578,520**	7,756,200
Vehicle and insurance expenses	**5,127,261**	5,145,099
Telephone and postage	**3,697,323**	3,488,319
Professional fees (i)	**5,830,742**	2,886,523
Printing and stationery	**1,858,703**	2,156,175
Travel expenses	**343,595**	192,555
Provision for/(reversal of) credit loss allowance (Notes 17 and 19)	**7,363,357**	(456,282)
(Reversal of)/provision for slow moving inventory (Note 16)	**(2,228,729)**	2,252,633
Other expenses	**9,516,054**	2,353,162
	355,426,778	317,873,766

(i) Professional fees include audit and assurance services fee of QR. 1,603,200 (2022: QR. 1,254,200).

9. INCOME TAX

The major components of income tax expenses is as follows:

	2023 QR.	2022 QR.
Income tax expense	**138,400**	146,176
Deferred income tax	**798,789**	153,718
Income tax expense reported in the consolidated statement of profit or loss	**937,189**	299,894

The Group is subject to income tax on its operation in the State of Qatar and Sultanate of Oman. Due to tax losses incurred on operations in Sultanate of Oman, no current tax expenses were recognised during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

10. PROPERTY AND EQUIPMENT

	Land	Buildings	Refrigerators and equipment	Motor vehicles	Furniture and fixtures	Computer equipment	Leasehold and other improvements	Capital work in progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:									
At 1 January 2023	36,302,975	1,124,016,618	295,894,748	22,923,636	61,567,198	49,991,927	129,885,635	105,892,655	1,826,475,392
Additions	--	1,712,591	6,122,582	263,040	488,640	3,645,447	5,557,233	116,095,175	133,884,708
Disposals	--	(14,500)	(157,764)	(59,504)	(12,791)	(689,183)	--	(540,606)	(1,474,348)
Transfers	--	64,224,921	8,443,077	--	336,437	11,650,464	13,051,685	(97,706,584)	--
Reclassifications	--	(4,000)	132,433	--	(132,433)	--	4,000		--
At 31 December 2023	36,302,975	1,189,935,630	310,435,076	23,127,172	62,247,051	64,598,655	148,498,553	123,740,640	1,958,885,752
Accumulated Depreciation:									
At 1 January 2023	--	214,950,228	209,308,386	18,641,188	51,675,416	41,989,470	75,417,222	--	611,981,910
Charge for the year	--	28,634,405	21,306,406	1,255,319	4,055,252	4,093,887	12,822,502	--	72,167,771
Relating to disposals	--	(4,326)	(116,636)	(59,262)	(4,940)	(121,432)	9,616	--	(296,980)
Reclassifications	--	(799)	131,879	--	(131,879)	--	799	--	--
At 31 December 2023	--	243,579,508	230,630,035	19,837,245	55,593,849	45,961,925	88,250,139	--	683,852,701
Net book value:									
At 31 December 2023	**36,302,975**	**946,356,122**	**79,805,041**	**3,289,927**	**6,653,202**	**18,636,730**	**60,248,414**	**123,740,640**	**1,275,033,051**

Notes:

i. Buildings with a carrying amount of QR. 600,729,310 (2022: 614,242,805) were constructed on leased plots of land from Government of Qatar. These plots of land were acquired on leases for a period of 25 years. The management has resolved to depreciate these buildings over 40 years based on the expected useful life period as management is reasonably certain that these lease contracts will be renewed for a period of time exceeding the useful life of these buildings.

ii. The capital work-in-progress includes constructions of new supermarkets and major renovation of existing supermarkets. The amount of amortisation on right-of-use asset and interest expense on lease liabilities capitalised during the year ended 31 December 2023 amounted to QR. 339,659 and QR. 416,252 (2022: QR. 482,891 and QR. 498,654), respectively.

iii. During the year ended 31 December 2023, the Group has capitalised borrowing cost amounting to QR. 2,109,957 (2022: QR. 4,007,901) of loans in State of Qatar and Sultanate of Oman for which the Group has obtained to finance the acquisition of two properties in the State of Qatar and the construction of a new mall in Sultanate of Oman (Notes 22 and 34).

iv. As of the reporting date, the Group has 31 (2022: 31) plots of land granted by the Government of Qatar at nominal values in the books.

v. The Group holds some items of equipment on behalf of third parties of QR. 8,728,382 (2022: QR. 8,728,382) which are not included in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

10. PROPERTY AND EQUIPMENT (CONTINUED)

	Land	Buildings	Refrigerators and equipment	Motor vehicles	Furniture and fixtures	Computer equipment	Leasehold and other improvements	Capital work in progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:									
At 1 January 2022	5,922,495	1,037,761,462	283,862,229	19,681,202	59,800,097	45,797,231	122,756,074	182,549,675	1,758,130,465
Additions	--	125,430	5,278,561	3,361,241	863,913	4,092,576	5,201,837	55,055,595	73,979,153
Disposals	--	(212,532)	(650,888)	(117,967)	(426,140)	(54,240)	(4,172,459)	--	(5,634,226)
Transfers	30,380,480	89,648,082	7,105,648	--	1,631,685	163,960	2,782,760	(131,712,615)	--
Reclassifications	--	(3,305,824)	299,198	(840)	(302,357)	(7,600)	3,317,423	--	--
At 31 December 2022	36,302,975	1,124,016,618	295,894,748	22,923,636	61,567,198	49,991,927	129,885,635	105,892,655	1,826,475,392
Accumulated Depreciation:									
At 1 January 2022	--	192,148,540	187,560,666	17,529,844	47,904,979	38,138,800	65,810,521	--	549,093,350
Charge for the year	--	24,906,344	21,932,531	1,224,307	4,571,328	3,866,912	11,844,660	--	68,346,082
Relating to disposals	--	(6,960)	(574,717)	(112,125)	(410,488)	(9,905)	(4,343,327)	--	(5,457,522)
Reclassifications	--	(2,097,696)	389,906	(838)	(390,403)	(6,337)	2,105,368	--	--
At 31 December 2022	--	214,950,228	209,308,386	18,641,188	51,675,416	41,989,470	75,417,222	--	611,981,910
Net book value:									
At 31 December 2022	36,302,975	909,066,390	86,586,362	4,282,448	9,891,782	8,002,457	54,468,413	105,892,655	1,214,493,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

11. RIGHT-OF-USE ASSETS

The Group leases several assets including land, buildings and warehouses. The average lease term ranges from 3 to 25 years (2022: 3 to 25 years). Rental contracts are typically for extendable fixed periods of time.

Below is the movement in the right-of-use assets:

	2023	2022
	QR.	QR.
Balance at 1 January	290,399,316	314,007,625
New leases added during the year	10,425,373	30,850,972
Contract modifications	(142,681)	(307,050)
Derecognition of right-of-use assets	(54,583,045)	--
Amortisation of right-of-use of assets	(38,329,017)	(50,821,287)
Amortisation of right-of-use of assets transferred to other receivables	(2,951,435)	(2,848,653)
Transferred to work-in-progress	(339,659)	(482,291)
Balance at 31 December	204,478,852	290,399,316

Amounts recognised in profit and loss

	2023	2022
	QR.	QR.
Amortisation expense on right-of-use assets	38,329,017	50,821,287
Expense relating to short-term leases (Note 8)	15,960,306	9,490,614

During the year, amortisation on right-of-use assets amounting to QR. 339,659 (2022: QR. 482,291) was capitalised to work-in-progress.

The Group holds some inventory items on behalf of a third party at its warehouse. The amortisation share in respect of leasing costs is transferred and recovered from the third party. During the year the Group has charged back QR 2,951,435 (2022: QR. 2,848,653).

12. GOODWILL

The carrying amount of goodwill has been allocated to the following cash generating units:

	2023	2022
	QR.	QR.
Qatar Markets Group W.L.L.	227,028,986	227,028,986
Al Meera Market S.A.O.C.	117,069,012	117,069,012
	344,097,998	344,097,998

Qatar Markets Company W.L.L.:

The recoverable amounts of this cash generating units have been determined based on value in use calculations. The calculation uses cash flow projections based on forecast revenues and profit margins approved by management covering five years period at a discount rate of 10.3% (2022: 9.6%). These projections reflect past experience and future plans of the Group. The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast.

The cash flows beyond five-year period is extrapolated using a steady growth rate of 2.0% (2022: 2.0%), which is the projected long term growth rate of the Group.

Other assumptions used in calculation of value in use includes expected revenue growth rate, fixed average EBITDA margin and capital expenditure forecast. Current and historical transactions have been used as indicators of future transactions.

Al Meera Market S.A.O.C.

The recoverable amount of the cash generating unit has been determined based on value in use calculations. The calculation uses cash flow projections based on forecast revenues and profit margins approved by management covering five years period at a discount rate of 7.6% (2022: 7.6%). The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast. The cash flows beyond five-year period are extrapolated using a steady growth rate of 2.0% (2022: 2.0%), which is the projected long term growth rate of the Group.

Other assumptions used in calculation of value in use includes expected revenue growth rate, fixed average EBITDA margin and capital expenditure forecast. Current and historical transactions have been used as indicators of future transactions.

Management believes that any reasonably possible change in the above key assumptions on which the recoverable amount is based would not cause the carrying value of the goodwill to materially exceed its recoverable amount, accordingly, no impairment loss was recognised in years 2023 and 2022.

No impairment has been recognised on Goodwill since its initial recognition.

13. INTANGIBLE ASSETS

These represents customer contracts and non-compete agreement acquired as part of business combination and computer software. These assets are amortised over its useful economic lives.

The movements are as follows:

	2023	2022
	QR.	QR.
Cost:		
At 1 January	18,030,325	18,030,325
Additions for the year	--	--
At 31 December	18,030,325	18,030,325
Amortisation:		
At 1 January	17,913,531	17,724,184
Charge for the year	110,876	189,347
At 31 December	18,024,407	17,913,531
Net book value at 31 December	5,918	116,794

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
	QR.	QR.
Quoted equity shares	**268,908,483**	359,037,200
Investment in fund	**105,970,336**	--
Unquoted equity shares	**10,392,287**	7,987,388
	385,271,106	367,024,588

Notes:

(i) The above quoted equity investments are managed by reputable assets managers, who take investment decisions on behalf of the Group. The group has control and title to these investments.

(ii) Quoted equity investments include investments in Qatar of QR. 268,908,483 (2022: QR. 295,622,352) and QR. Nil (2022: QR. 63,414,848) outside Qatar.

(iii) The Company converted certain investment in quoted equity shares into a fund structure and carried the investment in units at fair value through other comprehensive income (FVTOCI). The investment in fund is managed by a reputable portfolio manager.

(iv) The capital from the fund is invested in portfolio of equity securities of listed companies within the GCC. The fund's underlying equity portfolio are denominated in different GCC currency such as Saudi Riyals (SAR), UAE Dirhams (AED), Kuwaiti Dinar (KWD), Omani Riyals (RO) and Qatari Riyals (QAR).

(v) Upon disposal of these investments, any balances within the OCI reserve is reclassified to retained earnings and is not reclassified to profit or loss.

(vi) The movements in these financial assets at fair value through other comprehensive income are as follows:

	2023	2022
	QR.	QR.
At 1 January	**367,024,588**	355,578,649
Additions	**214,947,451**	332,820,264
Cost of disposals	**(199,108,705)**	(287,528,366)
Realised loss/(gain) on disposals	**10,284,171**	(35,598,470)
Net changes in fair value	**(7,876,399)**	1,752,511
At 31 December	**385,271,106**	367,024,588

The fair value of equity shares disposed during the year, at the date of disposal was QR. 188 million (2022: QR. 323 million). Dividend recognized during the year from investment held at FVTOCI amounts to QR. 23 million (2022: QR. 15 million).

The Group designates its investment in funds and equity shares, at initial recognition, at fair value through other comprehensive income as the Group believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

15. INVESTMENTS IN ASSOCIATES

The Group has the following investment in associate:

Name of associate	*Principal activity*	*Place of incorporation and operation*	*Proportion of ownership interest*	
			2023	2022
			%	%
Al Oumara Bakeries Company W.L.L.	Manufacture and sale of bakery products	Qatar	**51%**	51%

The movement of investment in associates is as follows:

	2023	2022
		QR.
At 1 January		--
Provision recorded on Al Oumara Bakeries Group W.L.L. as at 1 January (Note 25)	**(10,423,290)**	(10,395,685)
Share of results for the year	**(29,964)**	(27,601)
Presented separately as a provision for deficit in an associate on Al Oumara Bakeries Group W.L.L. (Note 25)	**10,453,254**	10,423,286
At 31 December	**--**	--

The following table is the summarised financial information of the Group's investments in the associates:

	2023	2022
	QR.	QR.
Group's share of associate's statement of financial position:		
Current assets	**1,369,174**	231,296
Non-current assets	**35,605**	34,101
Current liabilities	**(21,901,354)**	(10,688,683)
Carrying amount of the investee	**(20,496,575)**	(10,423,286)
Group's share of associate's revenue and results:		
Sales	**--**	--
Share of results	**(58,753)**	(27,601)

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16. INVENTORIES

	2023 QR.	2022 QR.
Finished goods	**367,695,530**	318,884,376
Consumables and spare parts	**3,637,013**	4,254,144
	371,332,543	323,138,920
Less: Provision for obsolete and slow-moving inventories	**(26,299,443)**	(21,160,545)
	345,033,100	301,977,975

The movement in the provision for obsolete and slow moving inventories is as follows:

	2023 QR.	2022 QR.
At 1 January	**21,160,545**	19,644,698
(Reversal)/charges recognised in general and administrative expenses (Note 8)	**(2,228,729)**	2,252,633
Charges/(reversal) recognised in cost of sales	**7,367,627**	(736,786)
At 31 December	**26,299,443**	21,160,545

Impact of change in accounting policy for inventory

Effective 1 July 2023, the Group changed its accounting policy for inventory valuation from First in First Out (FIFO) to Weighted Average Cost Method. The management believes that the weighted average cost method provides more relevant information of the consumption and value of inventory over time and as of period end.

A change in accounting policy requires restatement of comparative information. The impact of the change in accounting policy is immaterial to the consolidated financial statements. Accordingly, the management has taken cumulative impact of the change during the current year. The table below presents the impact on the consolidated financial statements of the group:

	2023 QR.
Cumulative (decrease) in inventory value on account of change in accounting policy for the year	**(2,309,379)**
Cumulative increase in expense on account of change in accounting policy for the year	**2,309,379**

17. TRADE AND OTHER RECEIVABLES

	2023 QR.	2022 QR.
Trade receivables	**32,630,454**	22,199,430
Advances to suppliers – net	**22,557,190**	13,167,378
Credit card receivables	**5,740,927**	19,946,556
Deposits	**1,012,446**	1,227,306
Prepaid expenses	**5,048,608**	4,225,898
Staff receivables	**4,425,804**	3,742,944
Lease receivables	**10,762,197**	4,768,954
Accrued interest income	**382,507**	1,182,591
Other receivables	**13,486,531**	59,742,401
	96,046,664	130,203,458
Less: Allowance for impairment of trade receivables (Note 35)	**(12,164,796)**	(4,665,568)
	83,881,868	125,537,890

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Deposits is presented in the consolidated statement of financial position as follows:

	2023 QR.	2022 QR.
Current portion (see above)	**1,012,446**	1,227,306
Other non-current assets	**14,991,966**	15,231,166
Credit card receivables	**16,004,412**	16,458,472

(i) The credit risk disclosures of expected credit losses on trade receivable under IFRS 9, have been disclosed in Note 35.

(ii) It is not the practice of the Group to obtain collateral over trade receivable and the vast majority are, therefore, unsecured.

18. RESTRICTED BANK BALANCES

Restricted bank accounts consist of amounts held in the banks for the dividends declared and not collected by shareholders yet.

19. CASH AND CASH EQUIVALENTS

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

	2023 QR.	2022 QR.
Cash in hand	**1,180,348**	2,204,492
Cash at bank	**148,147,776**	125,959,548
Short term deposits (i)	**9,500,000**	69,500,000
Total cash and cash equivalents	**158,828,124**	197,664,040
Less: Allowance for expected credit loss on term deposits (ii) (Note 35)	**--**	(135,871)
Total cash on hand and at banks	**158,828,124**	197,528,169

(i) The term deposits have different maturities and carry profit margin at 3% (2022: 3%) per annum.

(ii) The credit risk disclosures to expected credit losses on term deposit under IFRS 9 have been disclosed in Note 35.

20. SHARE CAPITAL

	2023 QR.	2022 QR.
Authorised, issued and fully paid:		
At 1 January	**200,000,000**	200,000,000
Issued during the year	**6,000,000**	--
At 31 December	**206,000,000**	200,000,000

On 9 April 2023 upon obtaining approval from the shareholders in the Annual General Meeting, the Company issued 6,000,000 bonus shares at the rate of 3 shares for every 100 shares held by the shareholders, which resulted in increase in share capital to 206,000,000 shares with nominal value of QR. 1 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21. RESERVES

Legal reserve

In accordance with Qatar Commercial Companies Law No. 11 of 2015, 10% of the profit for the year is transferred to a legal reserve. Transfers to this reserve are required to be made until the reserves reaches minimum 50% of the issued share capital of the Group. The Group has resolved to discontinue such transfers as the reserve exceeded 50% of share capital. This reserve is not available for distribution except in the circumstances as stipulated in Qatar Commercial Companies Law.

Optional reserve

In accordance with the Group's Articles of Association, upon suggestion of the Board of Directors, the General Assembly may decide to deduct a portion of the net profit for the optional reserve. This optional reserve shall be used in the forms and ways that will be decided by the General Assembly. There were no movements during the year ended 31 December 2023 (2022: Nil).

Fair value reserve

Financial assets at fair value through other comprehensive income reserve

The Group has recognised changes in the fair value of financial assets in other comprehensive income. These changes are accumulated within the fair value reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant financial assets are derecognised.

22. LOANS AND BORROWINGS

	2023	2022
	QR.	QR.
Loan 1	50,783,213	65,390,251
Loan 2	155,327,760	183,206,986
Loan 3	45,550,722	39,224,254
Loan 4	40,000,000	--
Loan 5	40,000,000	--
Deferred financing arrangement cost	(1,785,117)	(404,540)
	329,876,578	287,416,951

Presented in the consolidated statement of financial position as follows:

	2023	2022
	QR.	QR.
Non-current portion	284,500,740	244,052,206
Current portion	45,375,838	43,364,745
	329,876,578	287,416,951

Loan 1

The facility was obtained to partially fund an acquisition of a subsidiary in Oman from a local bank in Qatar.

The facility agreement contains certain covenants related to the capital structure of the operation of the business of Al Meera Markets S.A.O.C., one of the Group's subsidiaries in Oman. The facility carries profit rate of 3% per annum.

There was an initial drawdown of the facility on 20 June 2014, amounting to QR. 89 million. This amount is repayable over 40 quarterly instalments starting 30 September 2016.

During the latter part of the year 2016, there was an additional draw down amounting to QR. 50 million, which have been fully utilised for the construction of certain supermarkets of the Group and repayable over 39 quarterly instalments starting 5 December 2016.

This loan is secured by a corporate guarantee in the name of Al Meera Holding L.L.C., which is a fully owned subsidiary of the Group.

Loan 2

During 2018, the Group entered into a Murabaha loan facility agreement amounting to QR. 200 million with a local bank in the State of Qatar to finance the expansion plans of the Group. The unsecured facility carries a profit rate of QMRL plus 0.25% with a minimum rate of 5.25%. There was an initial drawdown of the facility on 21 March 2018, amounting to QR. 125 million. This amount is repayable over 20 quarterly instalments starting March 2020.

In January 2021, the Group entered into a loan top up agreement of QR. 50 million, thereby increasing the total facility to QR. 250 million. Profit rate of QMRL + 0.25% with a minimum rate of 2.95% with grace period of 1 year.

In April 2021, there was a drawdown of QR. 100 million, which has been utilised to finance the acquisition of properties to be developed as community mall. This amount is repayable over 28 quarterly instalments starting April 2022. The total combined draw down as of 31 December 2022 is QR. 225 million.

Loan 3

In 2020, Al Meera Oman S.A.O.C, one of the Group's subsidiaries has entered into a Master Facility Agreement with one of the commercial bank in Sultanate of Oman with a financial facility limit of QR. 52.3 million (RO. 5.5 million) (2022: QR. 52.3 million (RO. 5.5 million)). The facility shall be available for drawdown in multiple tranches during the availability period of 24 months from the date of facility agreement. The term loan facility is subject to a profit rate of 5.75% (2022: 5.75%) per annum during the availability period. The principal disbursement shall be made in 46 quarterly instalments commencing three months from the end of moratorium period through rental income from the project. The term loans are secured mortgage on proposed Usufruct of Al Meera Retail Complex in Al Amerat, Oman.

During the year, the subsidiary had an additional drawdown of QR. 6,623,468 (RO. 665,944) (2022: QR. 9,172,222 (RO. 965,497)) for the purpose of capital expenditure.

The total combined drawdown as of 31 December 2023 amounting to QR. 45,550,722 (RO. 4,794,813) (2022: QR. 39,224,254 (RO. 4,128,869)).

Loan 4

During 2023, the Group entered into a Murabaha loan facility agreement amounting to QAR 150 million with a local bank in the State of Qatar to finance the expansion plans of the Group. The unsecured facility carries a profit rate of QMRL plus 0.25%. There was an initial drawdown of the facility in September 2023, amounting to QR 40 million. This amount is repayable over 32 quarterly instalments starting September 2025.

Loan 5

During 2023, the Group entered into a Murabaha loan facility agreement amounting to QAR 150 million with a local bank in the State of Qatar to finance the expansion plans of the Group. The unsecured facility carries a profit rate of QMRL plus 0.25%. There was an initial drawdown of the facility in September 2023, amounting to QR 40 million. This amount is repayable over 32 quarterly instalments starting September 2025.

23. EMPLOYEES' END OF SERVICE BENEFITS

	2023	2022
	QR.	QR.
At 1 January	44,785,409	43,047,965
Provided during the year	6,338,673	7,407,990
End of service benefits paid	(4,861,901)	(5,670,546)
At 31 December	46,262,181	44,785,409

24. LEASE LIABILITIES

	2023	2022
	QR.	QR.
At 1 January	311,103,153	329,344,307
Additions during the year	10,425,373	30,851,029
Contract modification	38,969	(307,050)
Derecognition of lease liability	(50,742,006)	--
Accretion of interest	8,319,990	14,063,747
Interest on lease liabilities transferred to other receivables (Note 11)	327,989	316,517
Payments during the year	(53,801,849)	(63,165,397)
At 31 December	225,671,619	311,103,153
Current	42,833,825	61,893,810
Non-current	182,837,794	249,209,343
	225,671,619	311,103,153

Maturity analysis of undiscounted lease liabilities for the Group is as follows:

	2023	2022
	QR.	QR.
Not later than 1 year	44,954,765	63,059,961
Later than 1 year and not later than 5 years	110,567,737	169,444,801
Later than 5 years	174,144,157	199,784,603
	329,666,659	432,289,365

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

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25. TRADE AND OTHER PAYABLES

	2023 QR.	2022 QR.
Trade and services payables	414,196,818	507,463,250
Dividends payable	97,117,843	104,829,021
Retentions payable	3,007,951	1,661,630
Accrued expenses	75,250,349	57,148,563
Provision for deficit in an associate (Note 15)	10,453,254	10,423,286
Provision for social and sports fund	4,503,015	4,494,816
Contract liability on loyalty program	2,213,297	2,760,044
Income tax payable	176,277	165,633
Other payables	15,101,949	25,149,163
	622,020,753	714,095,406
Retentions payable presented in the consolidated statement of financial position as follows:		
Current portion (see above)	3,007,951	1,661,630
Non-current portion	6,275,488	3,668,958
	9,283,439	5,330,588

26. RELATED PARTY DISCLOSURES

Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business, the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management.

Qatar Holding L.L.C., which is ultimately owned by Government of Qatar, holds 26% of the Group's capital. In the course of business, the Group supplies its commodities to various Government and semi-Government agencies in the State of Qatar. The Group also avails various services from these parties in the State of Qatar.

Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	2023 QR.	2022 QR.
Amounts due from a related party:		
Associates	19,713,838	19,640,595
	19,713,838	19,640,595

The Group has not recognised an allowance for expected credit losses for amounts due from a related party since a provision for deficit in an associate amounting to QR. 10.4 million (2022: QR. 10.4 million) is recognised in the consolidated financial statements (Note 25). The provision recognised by the Group represents the deficit in the associate's equity to the extent of the Group share of 51% (2022: 51%). Management is confident that the other partner in the associate will honor their share in the net liabilities of the associate to enable the associate to settle the amount owned by them.

Terms and conditions of transactions with related parties

The transactions with the related parties are performed at the terms as approved by management. Outstanding balances at the end of the year are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received against any related party balance.

Compensation of key management personnel

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

	2023 QR.	2022 QR.
Key management remuneration	12,034,700	10,954,796
Board of Directors' remuneration	7,582,520	7,756,200
	19,617,220	18,710,996

Board of Directors' remuneration is a proposed amount which is subject to the approval of the shareholders in the next Annual General Assembly.

27. COMMITMENTS

(a) Capital commitments

Estimated capital expenditure contracted for at the reporting date but not provided for:

	2023 QR.	2022 QR.
Capital commitments – Property and equipment		
Estimated capital expenditure approved and contracted as of the reporting date	125,908,551	117,791,670

(b) Commitment under lease within 12 months/operating lease:

The Group has entered into non-cancellable lease agreements for certain land and buildings in various supermarkets.

Future operating lease rentals payable as at 31 December are as follows:

	2023 QR.	2022 QR.
Current - within one year	17,084,300	8,236,750

28. CONTINGENCIES

At 31 December 2023 and 2022, the Group had contingent liabilities in respect of letters of credit and letters of guarantee and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. The details are as follows:

	2023 QR.	2022 QR.
Letters of guarantees	9,528,318	10,086,091
Letters of credits	1,633,298	1,058,980
	11,161,616	11,145,071

The Group is the defendant in legal cases in the normal course of its business. A case was filed in prior years, related to the membership of the Board of Directors and the management believes that the above cases will have no impact on the Group, its operations or its consolidated financial statements.

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29. DIVIDENDS

The Board of Directors have proposed a 85% cash dividend on the paid up capital of QR. 0.85 per share totalling QR. 175.1 million for the year 2023, which is subject to the approval of the shareholders at the Annual General Assembly (2022: QR. 0.45 per share, totalling QR. 90 million and bonus shares equivalent to 3 shares for each 100 shares held in the Company for the year 2022).

30. CONTRIBUTION TO SOCIAL AND SPORTS FUND

In accordance with Law No. 13 of 2008, the Group has taken a provision for the support of sports, social, cultural and charitable activities with an amount equivalent to 2.5% of the net profit. This social and sports contribution is considered as an appropriation of retained earnings of the group and presented in the consolidated statement of changes in equity.

The Group made an appropriation from retained earnings amounting to QR. 4.5 million for the year ended 31 December 2023 (2022: QR. 4.5 million) for contribution to the Social and Sports Development Fund of Qatar.

31. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the Parent by the weighted average number of shares outstanding during the year. The computation of basic and diluted earnings per share are equal as the Group has not issued any instruments which will dilute the existing shareholding.

	2023	2022
	QR.	QR.
Profit attributable to equity holders of the parent	**181,146,545**	196,605,455
Weighted average number of shares outstanding	**206,000,000**	206,000,000
Basic and diluted earnings per share	**0.88**	0.95

Earnings per share for the year ended 31 December 2022 have been adjusted to reflect the bonus shares issued during 2023 as required by IFRS.

32. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three operating segments as follows:

i) The retail segment, which comprises the buying and selling of consumer good.
ii) The investment segment, which comprises equity and funds held as financial assets at fair value through other comprehensive income and fixed deposits.
iii) The leasing segment, which comprise mainly of renting shops in various malls owned by the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured the same as the operating profit or loss in the consolidated financial statements.

32. SEGMENT INFORMATION (CONTINUED)

	Retail	**Investment**	**Leasing**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Year ended 31 December 2023:				
Sales	**2,836,516,511**	--	--	**2,836,516,511**
Cost of sales	**(2,287,556,794)**	--	--	**(2,287,556,794)**
Gross profit	**548,959,717**	--	--	**548,959,717**
Rental income	--	--	**85,730,305**	**85,730,305**
Income from investments	--	**23,505,415**	--	**23,505,415**
Income from fixed deposits	--	**342,884**	--	**342,884**
Other income	**10,502,214**	**42,127**	**167,645**	**10,711,986**
Operating income	**559,461,931**	**23,890,426**	**85,897,950**	**669,250,307**
General and administrative expenses	**(346,063,062)**	**(2,137,398)**	**(7,226,318)**	**(355,426,778)**
Depreciation and amortisation	**(100,828,117)**	**(76,276)**	**(9,703,271)**	**(110,607,664)**
Share of loss of an associate	--	**(29,964)**	--	**(29,964)**
Finance costs	**(21,496,353)**	**(46,809)**	**(584,947)**	**(22,128,109)**
Profit before income tax	**91,074,399**	**21,599,979**	**68,383,414**	**181,057,792**
Income tax expense	**(937,189)**	--	--	**(937,189)**
Profit for the year	**90,137,210**	**21,599,979**	**68,383,414**	**180,120,603**

	Retail	Investment	Leasing	Total
	QR.	QR.	QR.	QR.
Year ended 31 December 2022:				
Sales	2,811,355,726	--	--	2,811,355,726
Cost of sales	(2,262,500,117)	--	--	(2,262,500,117)
Gross profit	548,855,609	--	--	548,855,609
Rental income	--	--	83,172,418	83,172,418
Income from equity investments	--	16,114,408	--	16,114,408
Income from fixed deposits	--	2,225,199	--	2,225,199
Other income	2,784,683	12,933	63,441	2,861,057
Operating income	551,640,292	18,352,540	83,235,859	653,228,691
General and administrative expenses	(309,232,836)	(2,423,892)	(6,217,038)	(317,873,766)
Depreciation and amortisation	(109,476,445)	(39,120)	(9,841,151)	(119,356,716)
Share of loss of an associate	--	(27,601)	--	(27,601)
Finance costs	(19,124,428)	(47,676)	(950,043)	(20,122,147)
Profit before income tax	113,806,583	15,814,251	66,227,627	195,848,461
Income tax expense	(289,046)	(1,856)	(8,992)	(299,894)
Profit for the year	113,517,537	15,812,395	66,218,635	195,548,567

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2022: Nil). The accounting policies of the reportable segment are the same as per the Group accounting policies described in Note 3.

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32. SEGMENT INFORMATION (CONTINUED)

The following table presents segmental assets regarding the Group's business segments for the year ended 31 December 2023 and 31 December 2022 respectively:

	Retail	Investment	Leasing	Total
	QR.	QR.	QR.	QR.
Segment assets:				
At 31 December 2023	**2,217,159,924**	**402,702,001**	**291,412,926**	**2,911,274,851**
At 31 December 2022	2,206,916,616	469,986,604	286,478,713	2,963,381,933

Other disclosures

	Retail	Investment	Leasing	Total
	QR.	QR.	QR.	QR.
Capital expenditure:				
At 31 December 2023	**99,737,890**	--	**34,146,814**	**133,884,704**
At 31 December 2022	49,682,980	--	24,296,173	73,979,153

Capital expenditure consists of additions of property and equipment.

Geographically, the Group operates in the State of Qatar and the Sultanate of Oman. Following is the summary of key balances related to each geography

	Qatar		Oman		Eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	QR.	QR.	**QR.**	QR.	**QR.**	QR.	**QR.**	QR.
Total assets	**2,663,871,898**	2,712,205,688	**304,876,864**	300,234,667	**(57,473,911)**	(49,058,422)	**2,911,274,851**	2,963,381,933
Total liabilities	**1,107,990,124**	1,237,617,273	**177,721,516**	169,477,976	**(54,490,035)**	(46,025,372)	**1,231,221,606**	1,361,069,877

	Qatar		Oman		Eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	QR.	QR.	**QR.**	QR.	**QR.**	QR.	**QR.**	QR.
Sales	**2,681,140,438**	2,682,447,097	**155,376,073**	128,908,629	--	--	**2,836,516,511**	2,811,355,726
Net income	**183,672,771**	199,937,494	**(3,601,343)**	(3,522,957)	**49,176**	**(865,970)**	**180,120,603**	195,548,567

33. MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Names of the subsidiaries	Country of incorporation	Non-controlling interests		Allocated (loss) profit		Accumulated balances	
		2023	2022	**2023**	2022	**2023**	2022
		%	%	**QR.**	QR.	**QR.**	QR.
Al Meera Markets S.A.O.C.	Oman	**30%**	30%	**883,232**	(1,021,009)	**38,923,481**	38,040,246
Al Meera Oman S.A.O.C.	Oman	**30%**	30%	**(1,909,174)**	(35,878)	**(722,408)**	1,186,769
				(1,025,942)	(1,056,887)	**38,201,073**	39,227,015

Notes:

The Group has the power to appoint and remove the majority of the Board of Directors of the above stated subsidiaries. The relevant activities of these subsidiaries are determined by the Board of Directors based on majority votes. Therefore, the Board of Directors concluded that the Group has control over these subsidiaries and they are consolidated in these consolidated financial statements.

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interest is set out below. The summarised financial information below represents amounts before intergroup eliminations.

Al Meera Markets S.A.O.C. and Al Meera Oman S.A.O.C.

Statement of profit or loss:

	2023	2022
	QR.	QR.
Sales	**155,376,073**	128,908,629
Other income	**6,111,747**	5,322,932
Expenses	**(164,108,838)**	(137,600,800)
Loss before income tax	**(2,621,018)**	(3,369,239)
Income tax expense	**(798,788)**	(153,718)
Loss for the year	**(3,419,806)**	(3,522,957)
Attributable to:		
Equity holders of the parent	**(2,393,864)**	(2,466,070)
Non-controlling interests	**(1,025,942)**	(1,056,887)
	(3,419,806)	(3,522,957)

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33. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTINUED)

Statement of financial position:

	2023 QR.	2022 QR.
Non-current assets	**249,346,125**	252,594,668
Current assets	**73,613,511**	68,898,763
	322,959,636	321,493,431
Equity attributable to equity holders of the parent	**89,135,820**	91,529,675
Non-controlling interests	**38,201,066**	39,227,015
Non-current liabilities	**85,339,969**	87,268,522
Current liabilities	**110,282,781**	103,468,219
	322,959,636	321,493,431

Statement of cash flows:

	2023 QR.	2022 QR.
Net cash from operating activities	**3,410,282**	7,335,064
Net cash used in investing activities	**(5,775,801)**	(6,911,364)
Net cash from financing activities	**(4,360,861)**	820,743
Net increase (decrease) cash and cash equivalents	**(6,726,380)**	1,244,443

34. FINANCE COSTS

	2023 QR.	2022 QR.
Interest on bank loans	**16,334,325**	10,564,955
Interest expense on lease liabilities (Note 24)	**8,319,990**	14,063,747
Total interest expense	**24,654,315**	24,628,702
Less : Interest on loans capitalised in cost of qualifying assets (Note 10)	**(2,109,957)**	(4,007,901)
Less : Interest expense on lease liabilities capitalised in cost of qualifying assets (Note 24)	**(416,249)**	(498,654)
	22,128,109	20,122,147

35. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Group's principal financial liabilities comprise of trade payables, dividends payable, payable to contractors, retentions payable, other payables and loans and borrowings. The main purpose of these financial liabilities is to raise finance for the Group's operations and to manage the operations of the Group in general. The Group has various financial assets comprise trade receivables, credit card receivables, deposits, rent receivables, amounts due from related parties, other receivables, financial assets at fair value through other comprehensive income and cash and bank balances, which arise directly from its operations or its investing activities. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. Management reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity price will affect the Group's income, equity 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. The Group's activities expose it primarily to the financial risks of changes in interest rates and equity price risk. The management reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's call deposits and loans and borrowings with floating interest rates.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate agreements.

	2023 QR.	2022 QR.
Potential change in basis points	**-/+25**	-/+25
Effect on profit or loss	**(230,115)**	(13,110)

Equity price risk

The Group is exposed to equity price risks arising from quoted equity shares. Quoted equity shares are held for strategic rather than trading purposes. The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	2023 QR.	2022 QR.
Change in equity prices	**-/+5**	-/+5
Effect on equity	**18,743,941**	18,351,229

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to US Dollar, balances in US Dollars are not considered to represent significant currency risk. The Group is not exposed to significant currency risk, in light of minimal balances in foreign currencies other than US Dollars.

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

The Group is exposed to credit risk if counterparties will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The following credit risk modelling applies for financial assets originated from 1 January 2018:

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the customer;
- Significant increases in credit risk on other financial instruments of the same customer;
- Significant changes in the expected performance and behavior of the customer, including changes in the payment status of customers in the group and changes in the operating results of the customer.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 360 days (2022: 360 days) of when they fall due.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The schedule below represents the Group's current credit risk grading framework :

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >360 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable as uncollectable when a debtor fails to make contractual payments greater than 360 days (2022: 360 days) past due. Where loans or receivables have been fully provided, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in consolidated statement of profit or loss.

i. General approach

General approach is used for fixed deposits and trade receivables with extended credit terms. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables, and adjusts for forward looking macroeconomic data. The Group provides for credit losses against these financial assets as at 31 December is as follows:

31 December 2023 Category	**External Credit rating**	**Expected credit loss rate**	**Basis for recognition of expected credit loss provision**	**Estimated gross carrying amount at default**	**Carrying amount (net of impairment provision)**
				QR.	**QR.**
Short term deposit	Investment grade	--	12 month expected losses	**9,500,000**	**9,500,000**
Trade receivables from government entities	Investment grade	**39.98%**	12 month expected losses	**24,316,675**	**14,595,289**

31 December 2022 Category	External Credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default	Carrying amount (net of impair-ment provision)
				QR.	QR.
Short term deposit	Investment grade	0.23%	12 month expected losses	69,500,000	69,364,129
Trade receivable from government entities	Investment grade	15.37%	12 month expected losses	18,431,363	15,599,070

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii. Simplified approach

For trade receivable and rent receivables, except for trade receivable from government entities, Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for those receivables. The loss allowance provision as at 31 December is determined as follows:

31 December 2023	Current	31 – 60 days past due	61 – 90 days past due	91 - 120 days past due	121 - 180 days past due	181 - 360 days past due	More than 360 days past due	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Gross carrying amount	8,993,080	3,650,808	1,647,875	1,316,799	1,316,799	1,367,096	939,946	19,075,977
Loss allowance provision	181,557	111,187	157,731	211,148	211,148	492,334	939,946	2,443,410

31 December 2022	Current	31 – 60 days past due	61 – 90 days past due	91 - 120 days past due	121 - 180 days past due	181 - 360 days past due	More than 360 days past due	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Gross carrying amount	3,428,649	1,406,023	748,205	719,134	699,439	277,359	1,258,212	8,537,021
Loss allowance provision	58,917	88,365	81,588	86,727	162,663	108,153	1,255,933	1,842,347

The expected credit losses below also incorporate forward-looking information.

The movements in the loss allowance provision are as follows:

	General approach	Simplified approach	Total
	QR.	QR.	QR.
At 1 January 2022	2,618,862	2,638,859	5,257,721
Loss allowance charged in profit or loss during the year (Note 8)	349,302	(805,584)	(456,282)
As at 31 December 2022	2,968,164	1,833,275	4,801,439
Loss allowance charged in profit or loss during the year (Note 8)	6,753,222	610,135	7,363,357
At 31 December 2023	**9,721,386**	**2,443,410**	**12,164,796**

The gross carrying amount of trade and lease receivables is QR. 43,392,652 (2022: QR 26,968,384) (Note 17).

Total loss allowance presented as follows:

	2023	2022
	QR.	QR.
Allowance for trade receivable (Note 17)	12,164,796	4,665,568
Allowance for term deposits at amortised cost (Note 19)	--	135,871
	12,164,796	4,801,439

Based on management assessment at year-end, the Group does not have a concentration of credit risk.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations and reputation.

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

At 31 December 2023	On demand	Less than 1 year	1- 5 years	> 5 years	Total
	QR.	QR.	QR.	QR.	QR.
Trade payables	--	414,196,818	--	--	414,196,818
Dividends payable	97,117,843	--	--	--	97,117,843
Retentions payable	--	3,007,951	6,275,488	--	9,283,439
Lease liability	--	42,833,825	97,744,113	85,093,681	225,671,619
Other payables	--	15,101,949	--	--	15,101,949
Income tax payable	--	176,277	--	--	176,277
Loans and borrowings	--	45,375,838	213,131,171	71,369,569	329,876,578
	97,117,843	520,692,658	317,150,772	156,463,250	1,091,424,523

At 31 December 2022	On demand	Less than 1 year	1- 5 years	> 5 years	Total
	QR.	QR.	QR.	QR.	QR.
Trade payables	--	507,463,250	--	--	507,463,250
Dividends payable	104,829,021	--	--	--	104,829,021
Retentions payable	--	1,661,630	3,668,958	--	5,330,588
Lease liability	--	61,893,814	138,684,276	110,525,063	311,103,153
Other payables	--	25,149,163	--	--	25,149,163
Income tax payable	--	165,633	--	--	165,633
Loans and borrowings	--	43,364,745	218,670,495	25,381,711	287,416,951
	104,829,021	639,698,235	361,023,729	135,906,774	1,241,457,759

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the years end 31 December 2023 and 31 December 2022.

The capital structure of the Group consists of debt which includes loans and borrowings disclosed in Note 22, cash and cash equivalents and equity, comprising issued share capital, reserves and retained earnings as disclosed in Notes 20 and 21.

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management (CONTINUED)

Gearing ratio

The gearing ratio at year end was as follows:

	2023 QR.	2022 QR.
Debt (i)	**329,876,578**	287,416,951
Cash and bank balances	**(158,828,124)**	(197,528,169)
Net debt	**171,048,454**	89,888,782
Equity (ii)	**1,680,053,245**	1,602,312,056
Net debt to equity ratio	**0.10**	0.06

(i) Debt is defined as long term debt, as detailed in Note 22.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

36. FAIR VALUES OF FINANCIAL INSTRUMENTS

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

As at 31 December, the Group held the following financial instruments measured at fair value:

31 December 2023	**Total QR.**	**Level 1 QR.**	**Level 2 QR.**	**Level 3 QR.**
Quoted equity shares	**268,908,483**	**268,908,483**	--	--
Investment in funds	**105,970,336**	**--**	105,970,336	**--**
Un-quoted equity shares	**10,392,287**	**--**	--	**10,392,287**
31 December 2022	Total QR.	Level 1 QR.	Level 2 QR.	Level 3 QR.
Quoted equity shares	359,037,200	359,037,200	--	--
Un-quoted equity shares	7,987,388	--	--	7,987,388

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

36. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 December 2023		
	Carrying value	**Fair value**	**Fair value hierarchy**
Financial assets:			
Cash and bank balances	**158,828,124**	**158,828,124**	--
Trade and other receivables	**67,045,914**	**67,045,914**	--
Amounts due from related parties	**19,713,838**	**19,713,838**	--
Financial liabilities:			
Trade and other payables	**529,600,835**	**529,600,835**	--
Loans and borrowings	**329,876,578**	**291,668,709**	Level 3
	31 December 2022		
	Carrying value	Fair value	Fair value hierarchy
Financial assets:			
Cash and bank balances	197,528,169	197,528,169	--
Trade and other receivables	110,400,285	110,400,285	--
Amounts due from related parties	19,640,595	19,640,595	--
Financial liabilities:			
Trade and other payables	639,268,693	639,268,693	--
Loans and borrowings	287,416,951	248,180,362	Level 3

The fair values of these financial assets and financial liabilities are not materially different from their carrying values in the consolidated statement of financial position, except for loans and borrowings, as these assets and liabilities are either of short-term maturities or are re-priced frequently based on market movement in interest rates.

Loans and borrowings consist of different bank facilities that carries fixed and variable profit rates. Details of loans and borrowings are disclosed in Note 22.

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements (2022: Nil).

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37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows from financing activities.

	1 January 2023	Financing cash flow	Non-cash changes	**31 December 2023**
	QR.	QR.	QR.	**QR.**
Lease liabilities	**311,103,153**	(53,801,849)	(31,629,685)	**225,671,619**
Loans and borrowings	**287,416,951**	42,340,204	119,423	**329,876,578**
	598,520,104	(11,461,645)	(31,510,262)	**555,548,197**

	1 January 2022	Financing cash flow	Non-cash changes	31 December 2022
	QR.	QR.	QR.	QR.
Lease liabilities	329,344,307	(63,165,340)	44,924,186	311,103,153
Loans and borrowings	317,933,873	(30,594,469)	77,547	287,416,951
	647,278,180	(93,759,809)	45,001,733	598,520,104

(i) The net repayment of the lease liabilities during the period amounted to QR. 53.8 million (2022: QR. 63.2 million).

(ii) The repayments and proceeds from loans and borrowings amounted to QR. 45.3 million and QR. 86.3 million, respectively (2022: QR. 39.8 million and QR. 9.2 million).

38. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to align their presentation to the current year's structure. Such reclassifications had no effect on the comparative figures for income and equity of the Group, thus comparability of financial information remains unimpaired. The Group believes the currents year's presentation to be more relevant to the users of the consolidated financial statements. Details of the reclassifications are as follow in the table below.

	2022	Reclassifications	**2022**
	QR.	QR.	**QR.**
	(Audited)		**(Reclassified)**
Statement of financial position			
Other non-current assets	--	15,231,166	**15,231,166**
Trade and other receivables	140,769,056	(15,231,166)	**125,537,890**
	140,769,056	--	**140,769,056**
Cash and bank balances	284,241,731	(86,713,562)	**197,528,169**
Restricted bank balances	--	86,713,562	**86,713,562**
	284,241,731	--	**284,241,731**

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