Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six month period ended 30 June 2023

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GULF INTERNATIONAL SERVICES Q.P.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Gulf International Services Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2023 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

For and on behalf of PricewaterhouseCoopers – Qatar Branch
Qatar Financial Market Authority registration number 120155

Mark Menton
Auditor's registration number 364
Doha, State of Qatar
13 August 2023

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PRICEWATERHOUSECOOPERS - Qatar Branch
P. O. Box : 6689
Doha, State of Qatar

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2023 (Reviewed)	31 December 2022 (Audited) (Restated)*	1 January 2022 (Audited) (Restated)*
		QR.'000	QR.'000	QR.'000
ASSETS				
Non-current assets				
Property and equipment	6	**5,431,290**	5,560,956	5,591,281
Goodwill	7	**-**	303,559	303,559
Right-of-use assets	8	**2,813**	49,571	65,664
Contract assets		**13,104**	13,104	9,464
Equity-accounted investees		**40,005**	28,088	12,078
Financial assets at FVTOCI	9	**303,724**	306,592	418,658
Total non-current assets		**5,790,936**	6,261,870	6,400,704
Current assets				
Inventories		**418,915**	393,170	284,088
Contract assets		**-**	-	6,514
Due from related parties	22(b)	**525,232**	671,219	677,515
Financial assets at FVTPL	9	**445,216**	438,185	420,689
Trade and other receivables	10	**438,260**	478,789	427,628
Reinsurance contract assets	18.2	**631,067**	668,446	677,900
Short-term investments	11	**783,319**	746,126	348,632
Cash and bank balances	12	**336,096**	396,447	349,407
Assets classified as held for sale	7	**639,568**	-	-
Total current assets		**4,217,673**	3,792,382	3,192,373
TOTAL ASSETS		**10,008,609**	10,054,252	9,593,077
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	**1,858,409**	1,858,409	1,858,409
Legal reserve		**384,340**	384,340	377,308
General reserve		**74,516**	74,516	74,516
Translation reserve		**(116,107)**	(71,371)	(55,836)
Fair value reserve		**(26,939)**	(27,646)	3,786
Retained earnings		**1,497,475**	1,430,284	1,089,127
Equity attributable to shareholders of the Company		**3,671,694**	3,648,532	3,347,310
Non-controlling interests		**(364)**	(312)	(198)
Total equity		**3,671,330**	3,648,220	3,347,112

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

The interim condensed consolidated statement of financial position continues on the next page

Report on review of condensed consolidated interim financial information is set out on page 1.
The accompanying notes from 1 to 27 form an integral part of this condensed consolidated interim financial information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	30 June 2023 (Reviewed)	31 December 2022 (Audited) (Restated)*	1 January 2022 (Audited) (Restated)*
		QR.'000	QR.'000	QR.'000
LIABILITIES				
Non-current liabilities				
Lease liabilities	8	-	7,432	15,947
Loans and borrowings	15	3,372,006	2,633,625	3,692,705
Contract liabilities		2,730	2,730	1,820
Provision for decommissioning costs		-	45,899	45,669
Provision for employees' end of service Benefits		76,634	112,028	101,259
Total non-current liabilities		3,451,370	2,801,714	3,857,400
Current liabilities				
Lease liabilities	8	3,238	33,939	28,868
Dividends payable	14	49,107	48,619	50,429
Loans and borrowings	15	1,007,695	1,734,430	674,156
Trade and other payables		439,699	672,140	568,124
Due to related parties	22(b)	21,100	20,895	34,823
Insurance contract liabilities	18.1	1,100,088	1,079,705	1,028,718
Contract liabilities		7,804	14,590	3,447
Liabilities associated with assets held for sale	7	257,178	-	-
Total current liabilities		2,885,909	3,604,318	2,388,565
Total liabilities		6,337,279	6,406,032	6,245,965
Total equity and liabilities		10,008,609	10,054,252	9,593,077

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

This condensed consolidated interim financial information were approved by the Board of Directors of the Company and signed on its behalf by the following on 13 August 2023.

Saad Rashid Al-Muhannadi
Vice Chairman

Ali Jaber Hamad Al - Marri
Member

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Report on review of condensed consolidated interim financial information is set out on page 1.
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the six-month period ended 30 June 2023 (Reviewed) QR.'000	2022 (Reviewed) (Restated)* QR.'000
Revenue	16	1,163,122	1,049,787
Direct costs	17	(824,329)	(794,332)
Gross profit from non-insurance operations		338,793	255,455
Insurance revenue	18.1	548,696	407,555
Insurance service expense	18.1	(355,349)	(310,202)
Net expense from reinsurance contracts held	18.2	(137,759)	(101,256)
Insurance service result		55,588	(3,903)
Gross profit and net insurance service results		394,381	251,552
Finance (expense)/income from insurance contracts issued	18.1	(22,177)	21,440
Finance income/(expense) from reinsurance contracts held	18.2	24,896	(12,140)
Net insurance finance income		2,719	9,300
Other income	20	19,363	8,090
Other expenses		(13,097)	(18,321)
General and administrative expenses	19	(82,103)	(72,234)
Changes in fair value of financial assets at FVTPL		6,194	-
Net monetary gain arising from hyperinflation		40,267	14,535
Net impairment gain on financial assets		245	3,762
Operating profit		367,969	196,684
Finance income		32,941	12,497
Finance costs		(131,989)	(68,558)
Finance costs – net		(99,048)	(56,061)
Share of net profits of joint ventures accounted for using the equity method		11,917	4,624
Profit before income tax		280,838	145,247
Income tax expense	21	(1,945)	(2,889)
Profit for the period from continuing operation		278,893	142,358
Profit from discontinued operation		2,025	(5,052)
Profit for the period		280,918	137,306

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

The interim condensed consolidated statement of profit or loss and other comprehensive income continues on the next page

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	For the six-month period ended 30 June	
		2023 (Reviewed) QR.'000	2022 (Reviewed) (Restated)* QR.'000
Other comprehensive loss:			
Items that may be reclassified to profit or loss			
Other comprehensive income arising from hyperinflation		**-**	44,294
Changes in the fair value of debt instruments at fair value through other comprehensive income		**707**	(29,661)
Exchange differences on translation of foreign operations		**(44,736)**	(7,265)
Other comprehensive (loss) / income for the period		**(44,029)**	7,368
Total comprehensive income for the period		**236,889**	144,674
Profit/(loss) attributable to:			
Shareholders of the Company		**280,970**	137,377
Non-controlling interests		**(52)**	(71)
		280,918	137,306
Total comprehensive income / (loss) for the period attributable to:			
Shareholders of the Company		**236,941**	144,745
Non-controlling interests		**(52)**	(71)
		236,889	144,674
Total comprehensive income / (loss) for the period attributable to the shareholders of the company arises from:			
Continuing operations		**234,864**	149,726
Discontinued operations		**2,025**	(5,052)
		236,889	144,674
Earnings / (loss) per share			
Basic and diluted earnings per share (Qatari Riyals)	23	**0.1512**	0.0739

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholder of the Company								
	Share capital	Legal reserve	General reserve	Translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2022 (as previously reported)	1,858,409	377,308	74,516	(55,836)	3,786	998,204	3,256,387	(198)	3,256,189
Impact on the initial application of IFRS 17 (note 5)	-	-	-	-	-	61,551	61,551	-	61,551
Restatement (Note 27)	-	-	-	-	-	29,372	29,372	-	29,372
Balance at 1 January 2022 (as restated)*	1,858,409	377,308	74,516	(55,836)	3,786	1,089,127	3,347,310	(198)	3,347,112
Effect of hyperinflation	-	-	-	-	-	(2,064)	(2,064)	-	(2,064)
Total comprehensive income:									
Profit for the period	-	-	-	-	-	137,377	137,377	(71)	137,306
Other comprehensive (loss)/income	-	-	-	(7,265)	(29,661)	44,294	7,368	-	7,368
Total comprehensive income for the period	-	-	-	(7,265)	(29,661)	181,671	144,745	(71)	144,674
Balance at 30 June 2022 (Reviewed - As restated)*	1,858,409	377,308	74,516	(63,101)	(25,875)	1,268,734	3,489,991	(269)	3,489,722
Balance at 31 December 2022 (as previously reported)	**1,858,409**	**384,340**	**74,516**	**(71,371)**	**(27,646)**	**1,350,550**	**3,568,798**	**(312)**	**3,568,486**
Impact on the initial application of IFRS 17 (note 5)	**-**	**-**	**-**	**-**	**-**	**57,894**	**57,894**	**-**	**57,894**
Restatement (note 27)	**-**	**-**	**-**	**-**	**-**	**21,840**	**21,840**	**-**	**21,840**
Balance at 31 December 2022 (As Restated) *	**1,858,409**	**384,340**	**74,516**	**(71,371)**	**(27,646)**	**1,430,284**	**3,648,532**	**(312)**	**3,648,220**
Effect of hyperinflation	**-**	**-**	**-**	**-**	**-**	**(27,938)**	**(27,938)**	**-**	**(27,938)**
Total comprehensive income:									
Profit for the period	**-**	**-**	**-**	**-**	**-**	**280,970**	**280,970**	**(52)**	**280,918**
Other comprehensive loss	**-**	**-**	**-**	**(44,736)**	**707**	**-**	**(44,029)**	**-**	**(44,029)**
Total comprehensive income for the period	**-**	**-**	**-**	**(44,736)**	**707**	**280,970**	**236,941**	**(52)**	**236,889**
Transactions with shareholders of the parent:									
Dividends	**-**	**-**	**-**	**-**	**-**	**(185,841)**	**(185,841)**	**-**	**(185,841)**
Balance at 30 June 2023 (Reviewed)	**1,858,409**	**384,340**	**74,516**	**(116,107)**	**(26,939)**	**1,497,475**	**3,671,694**	**(364)**	**3,671,330**

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

Report on review of condensed consolidated interim financial information is set out on page 1.
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	For the six-month period ended 30 June 2023 (Reviewed) QR.'000	2022 (Reviewed) (As restated)* QR.'000
Cash flows from operating activities			
Profit for the period – Continuing operations		**278,893**	142,358
Profit/(loss) for the period – Discontinued operations		**2,025**	(4,934)
Profit before income tax including discontinued operations		**280,918**	137,424
Adjustments for:			
Depreciation of property and equipment	6	**173,355**	166,774
Depreciation of right-of-use assets	8	**2,871**	2,889
Provision for employees' end of service benefits		**6,517**	8,183
(Gain) / loss on disposal of property and equipment		**(2,486)**	11
Changes in fair value of financial assets at FVTPL		**(6,194)**	16,621
Gain from sale of financial assets at FVTPL	20	**(777)**	-
Gain from sale of financial assets at FVTOCI		-	(3,482)
Amortization of finance cost related to loans and borrowings		**13,314**	-
Provision for impairment of financial assets		**(245)**	(3,762)
Share of net profits of joint ventures accounted for using the equity method		**(11,918)**	(4,624)
Finance income		**(32,941)**	(12,947)
Finance costs		**131,989**	63,558
Dividend income		**(5,687)**	(3,423)
Net monetary gain arising from hyperinflation		**(40,267)**	(14,535)
Operating profit before working capital changes		**508,449**	352,687
Working capital changes:			
Inventories		**(40,090)**	(41,357)
Contract assets		-	2,874
Trade and insurance receivables, prepayments and due from related parties	22 (b)	**26,565**	(55,086)
Contract liabilities		**13,599**	(2,537)
Changes in investment securities held for trading		-	(55,373)
Insurance contract liabilities		-	(194,879)
Reinsurance contract assets		-	221,385
Trade and insurance payables, accruals and due to relate parties		**(281,467)**	42,848
Cash generated from operations		**227,056**	270,562
Employees' end of service benefits paid		**(4,984)**	(6,180)
Cash generated from operating activities – Continuing operations		**222,072**	264,382
Cash generated from/(used in) operating activities – Discontinued operations		**67,532**	(6,861)
Net cash generated from operating activities		**289,604**	257,521

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

The interim condensed consolidated statement of cashflows continues on the next page

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

	Note	For the six-month period ended 30 June **2023 (Reviewed)**	 2022 (Reviewed) (Restated)*
		QR.'000	QR.'000
Cash flows from investing activities			
Acquisition of property and equipment	6	**(88,151)**	(82,392)
Acquisition of financial assets at FVTPL	9	**(11,287)**	(21,903)
Acquisition of financial assets at FVOCI	9	**(15,220)**	-
Net movement in short-term investments	11	**(133,818)**	(161,750)
Finance income received		**28,812**	12,619
Proceeds from sale and maturity of financial investments		**29,896**	54,707
Proceeds from disposal of property and equipment		**3,654**	4
Net movement in cash at banks – restricted for dividends		**(487)**	701
Dividends received		**5,687**	-
Cash (used in)/ generated from investing activities – Continuing operations		**(180,914)**	(198,014)
Cash generated from investing activities – Discontinued operations		**21,670**	29,114
Net cash used in investing activities		**(159,244)**	(168,900)
Cash flows from financing activities			
Changes in restricted deposits	12	**485**	-
Proceeds from loans and borrowings	15	**-**	53,144
Repayment of loans and borrowings	15	**(1,669)**	(88,742)
Dividends paid		**-**	(701)
Finance costs paid		**(131,990)**	(63,603)
Principal element of lease payments	8	**(3,151)**	(3,295)
Cash used in financing activities – Continuing operations		**(136,325)**	(103,197)
Cash used in financing activities – Discontinued operations		**(7,117)**	(8,394)
Net cash used in financing activities		**(143,442)**	(111,591)
Net decrease in cash and cash equivalents		**(13,082)**	(22,970)
Effects of exchange rate changes on cash and cash equivalents		**(3,900)**	7,424
Cash and cash equivalents at 1 January		**347,828**	298,987
Cash and cash equivalents at 30 June	12	**330,846**	283,441

*The comparative information has been restated. Refer to Note 5 and Note 27 to the condensed consolidated interim financial information.

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The accompanying notes from 1 to 27 form an integral part of this condensed consolidated interim financial information.

1. REPORTING ENTITY

Gulf International Services Q.P.S.C. (the "Company") is a Company incorporated on 13 February 2008 in the State of Qatar under the commercial registration number 38200 as a Qatari Shareholding Company. The principal activity of the Company is to operate as a holding company. As per the Extra Ordinary General Assembly Resolution and in accordance with the Qatar Commercial Companies Law No 11 of 2015 the legal form of the Company has been changed to Qatari Public Shareholding Company (Q.P.S.C.) in 2018. The registered office of the Company is situated in Doha, State of Qatar.

These condensed consolidated interim financial statements comprise of the Company and its subsidiaries (the 'Group'). The Group is primarily involved in provision of drilling, aviation, insurance and reinsurance and catering services (refer Note 25).

The Company was initially incorporated by QatarEnergy as a sole shareholder with an initial capital of QR 5 million on 13 February 2008 which is the date of incorporation of the Company.

On 26 May 2008, QatarEnergy listed 70% of the Company's issued share capital on the Qatar Exchange. An extraordinary general assembly held on 4 November 2012 approved the amendments to the Articles of Association in which it increased the ownership limit of General Retirement and Social Insurance Authority ("GRSIA"). Subsequently, as per the instructions of the Supreme Council of Economic Affairs, QatarEnergy divested 20% of its stake in the Company to GRSIA. However, QatarEnergy is the ultimate parent of the Company as it holds a special share and thus controls the Company.

These condensed consolidated interim financial statements comprise the financial information of the Company and below stated unlisted wholly owned direct subsidiaries as at the end of the reporting date:

			Percentage of holding	
	Relationship	**Country of incorporation**	**30 June 2023**	31 December 2022
			QR.'000	QR.'000
Name of the company				
Al Koot Insurance & Reinsurance Company P.J.S.C.	Subsidiary	Qatar	**100%**	100%
Amwaj Catering Services Limited (Qatari Private Shareholding Company)	Subsidiary	Qatar	**100%**	100%
Gulf Helicopters Company (Qatari Private Shareholding Company)	Subsidiary	Qatar	**100%**	100%
Gulf Drilling International Limited (Qatari Private Shareholding Company)	Subsidiary	Qatar	**100%**	100%

These condensed consolidated interim financial statements fully consolidate indirect subsidiaries held through the above subsidiaries on a line by line basis and also include the share of profit or loss and other comprehensive income from joint ventures accounted for using the equity method:

			Beneficial ownership interest	
	Relationship	**Country of incorporation**	**30 June 2023**	31 December 2022
			QR.'000	QR.'000
Name of the company				
Gulfdrill L.L.C.	Joint venture	Qatar	**50%**	50%
Air Ocean Maroc	Joint venture	Morocco	**49%**	49%
Gulf Med Aviation Services Limited	Joint venture	Malta	**49%**	49%
United Helicharters Private Limited	Indirect subsidiary	India	**90%**	90%
Al Maha Aviation Company	Indirect subsidiary	Libya	**100%**	100%
Redstar Havacilik Hizmetleri A.S.	Indirect subsidiary	Turkey	**100%**	100%
Gulf Helicopters Investment and Leasing Company	Indirect subsidiary	Morocco	**100%**	100%
AOM Aviation Capital Sarlau	Indirect subsidiary	Morocco	**100%**	100%

1. Reporting entity (continued)

United Helicharters Private Limited ("UHPL") is an Indian registered subsidiary engaged in the provision of helicopter services. On May 31, 2023, the Board of Directors of UHPL granted approval for the sale of the subsidiary. Management anticipates that the sale transaction will be completed in the second half of the current year.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group transactions, balances, income and expenses were eliminated on consolidation.

2. Basis of preparation

The condensed consolidated interim financial information for the six-month period ended 30 June 2023 has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") under the historical cost convention except for the following:

- Equity instruments classified as Fair Value Through Other Comprehensive Income ("FVTOCI") and Fair Value Through Profit and Loss ("FVTPL"), are measured at fair value;
- Assets classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell.
- Amounts relating to a hyperinflationary economy have been adjusted to reflect the effects of hyperinflation to express the financial statements in terms of the monetary unit current at the end of the reporting date as required by IAS 29.

The condensed consolidated interim financial information is prepared in Qatari Riyals, which is the Company's functional and Group's presentation currency, and all values are rounded to the nearest thousands (QR.'000) except when otherwise indicated.

The condensed consolidated interim financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the latest annual financial statements.

This is the first set of the Group's condensed consolidated interim financial information in which IFRS 17 "Insurance Contracts" have been applied and the resulting changes to the significant accounting policies are described in Note 3.

The nature of the changes in accounting policies can be summarized as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

Under IFRS 17, the Group's insurance contract issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach (PAA). PAA simplifies the measurement of insurance contracts as compared to the General Measurement Model in IFRS 17.

Presentation and disclosure
For presentation in the interim condensed statement of financial position, the Group will aggregate insurance and reinsurance contracts issued and reinsurance contracts held, respectively and present separately:

- Portfolios of insurance contracts issued that are assets.
- Portfolios of insurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred above are those established at initial recognition in accordance with the IFRS 17 requirements.

2. BASIS OF PREPARATION (CONTINUED)

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the interim condensed statement of profit or loss have been changed significantly compared with the prior period, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Net expense or income from reinsurance contracts held
- Finance expense or income from insurance contracts issued
- Finance expense or income from reinsurance contracts held

On transition date, 1 January 2022, the Company:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied.
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

Judgements, estimates and risk management

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies, the key sources of estimation uncertainty and financial risk management objectives and policies were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2022 except as mentioned below and in note 3.4

Insurance Contracts

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The significant accounting judgments made by the management of the Group in the application of its accounting policies and key sources of estimation uncertainties were the same as those applied to the financial statements for the year ended December 31, 2022, except for the new requirements of IFRS 17. The significant accounting judgments and estimates with respect to IFRS 17 are disclosed in (note 3.4).
The Company's risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2022; except as mentioned in (note 5).

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

3.1 New standards, amendments and interpretations effective from 1 January 2022

A number of new or amended standards became applicable for the current reporting period, and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- IFRS 17, 'Insurance contracts'
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future reporting periods, except for the new requirements of IFRS 17, Insurance Contracts.

3.2 Impact of new standards (issued but not yet adopted by the group)

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretation and amendments which will be adopted in the Group's financial statements as and when they are applicable.

3.3 IAS 29 – Financial Reporting in Hyperinflationary Economies

Classification of Turkey as a hyperinflationary economy

The Group has operations in Turkey through its sub-subsidiary namely Redstar Havacilik Hizmetleri A.S. The functional currency of the subsidiary in Turkey is Turkish Lira.

From 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

IAS 29 requires that consolidated financial statements are stated in terms of the measuring unit current at the balance sheet date which requires restatement of non-monetary assets and liabilities to reflect the changes in the general purchasing power of the Turkish Lira.

The restatements were calculated by means of conversion factors derived from the consumer price indices. Such index as announced by the Turkish Statistical Institute and conversion factors used to restate the balances are as follows:

Date	Index
30 June 2023	1351.59
31 December 2022	1128.45

The basic principles applied in the accompanying condensed consolidated interim financial statements, are summarized in the following paragraphs.

Adjustment for prior periods

Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the condensed consolidated interim statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.3 IAS 29 – Financial Reporting in Hyperinflationary Economies (continued)

Classification of Turkey as a hyperinflationary economy (continued)

Adjustment for current period

Monetary assets and liabilities, which are carried at amounts current at the date of condensed consolidated interim statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of condensed consolidated interim statement of financial position.

Non-monetary assets and liabilities, which are not carried at amounts current at the date of condensed consolidated interim statement of financial position, and components of owners' equity are restated by applying the relevant conversion factors.

Net monetary gain arising from hyperinflation amounting to QR 40.267 million is recognized in the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2023.

All items in the condensed interim statement of profit or loss are restated by applying the conversion factors from the date on which the transaction originated except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.

The effect of application indices on the Group's net monetary position is included in the condensed consolidated interim statement of profit or loss as monetary gain or loss.

All items in the condensed interim statement of cash flows are expressed in a measuring unit current at the date of condensed interim statement of financial position; they are therefore restated by applying the relevant conversion factors from the date on which the transaction originated.

3.4 IFRS 17 – accounting policies, including key judgments and estimates

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The Group has applied the full retrospective approach to each group of insurance contracts.

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC").

Unit of account and measurement model

The Group manages insurance contracts issued by product lines or lines of business within an operating segment, where each product line includes contracts that are subject to similar risks. The segmentation based on business classes reflects the way the business is managed, given that each segment is evaluated separately by senior management resulting in the following portfolios: Medical; Energy/Operational; Engineering; Marine; Liability; Property & Terrorism; and Group Life. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into group of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition are not onerous and have no significant possibility of becoming onerous; or (iii) the group of remaining contracts. These profitability groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

The Company holds reinsurance contracts that provide coverage on the insurance contracts for claims incurred during an accident year and are accounted for under the PAA since the Company does not expect significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage under general measurement model.

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

The General Measurement Model ("GMM") is the default model to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. The premium allocation approach ("PAA") is a simplified approach for the measurement of the liability for remaining coverage, that an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model ("PAA eligibility test") or if the coverage period of each contract in the Company of insurance contracts is one year or less.

The Company uses the PAA for contracts with a coverage period of one year or less for the measurement of LRC. Some contracts have a coverage period of more than one year, but passed the PAA eligibility test.

The Company applied the PAA approach to all its insurance contracts which include mainly energy, medical and other lines of business and to its reinsurance contracts held.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts and thus all components of the contracts are measured under IFRS 17.

Recognition, initial and subsequent measurement
Groups of insurance contracts issued are initially recognised at the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date;
- when the Company determines that a group of contracts becomes onerous.

The Company initially recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

(a) For reinsurance contracts that provide proportionate coverage, at the later of:
   i. the beginning of the coverage period of the group of reinsurance contracts and
   ii. the initial recognition of any underlying contract.

(b) All other groups of reinsurance contracts held are recognized from the beginning of the coverage period of the group of reinsurance contracts.

However, if the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- the LRC; and
- the Liability for Incurred Claims (“LIC”), comprising the fulfillment cash flows (“FCF”) related to past service allocated to the Company at the reporting date.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a) increased for premiums received in the period;
b) decreased for insurance acquisition cash flows paid in the period;
c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses in the reporting period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums paid in the period;
b) decreased for net ceding commissions received in the period;
c) decreased for the expected amounts of ceding premiums and ceding commissions recognized as net reinsurance expenses for the services received in the period.
d) increased for premiums received in the period;
e) decreased for insurance acquisition cash flows paid in the period;
f) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
g) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses in the reporting period.

For the Liability for Incurred Claims "LIC":

The Company estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfill its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Company presents the entire change in risk adjustment as part of insurance service results.

The Company establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the balance sheet date, including claims not yet reported ("IBNR") and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Company. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by accident year, geographical area, as well as claim type.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking into account all the uncertainties involved.

The Company has elected not to adjust the LRC for the effect of time value of money, as it expects the time between providing each part of the coverage and the related premium due date to be one year or less. On the other hand, the Company has decided to discount the LIC for the time value of money as some portfolios have significant amounts of claims paid after 12 months of date of loss. Hence, for all contracts measured under the PAA, the Company has decided to allow for the time value of money in estimating the LIC.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

The fulfillment cashflows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. As all contracts are measured under the PAA, unless the contracts are onerous, the FCF are only estimated for the measurement of the LIC.

The estimates of future cash flows:

a) are based on a probability-weighted mean of the full range of possible outcomes;
b) are determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables; and
c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer. The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Discount rates
The Company has adopted a bottom-up approach for deriving the yield curves, the starting point being the liquid risk-free base curves in the currencies in which the contracts are denominated. The final discount rates are chosen with consideration to the following curves for liabilities denominated in Qatari Riyals (which will continue to be monitored, compared, and assessed for appropriateness):

- The United States ("US") treasury risk-free curves (since the Qatari Riyal is currently pegged to the US Dollar).
- The Qatar Central Bank's Money Lending Rate for Qatari Riyal.

Given the relatively liquid nature of the majority of the Company's contracts, the Company does not incorporate an illiquidity premium in the discount rates determined using the bottom-up approach. Per the decision to use a bottom-up approach, no adjustment for the removal of credit risk is required in the derivation of the Company's discount rates.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of Companys of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b. both of the following criteria are satisfied:

   i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

Insurance acquisition costs and directly attributable expenses

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts.

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Company allocates the attributable costs based on a number of drivers.

Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses. The Company amortises the insurance accquistion costs over the contract period.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is not considered material in relation to recording the insurance revenue.

3Insurance revenue is adjusted to allow for policyholders' default on expected premium receipts. The default probability is derived from IFRS 9 Expected Loss Model.

Insurance service expenses

Insurance service expenses include the following:

a. incurred claims for the period.
b. other incurred directly attributable expenses.
c. insurance acquisition cash flows amortization.
d. changes that relate to past service – changes in the FCF relating to the LIC.
e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

Presentation of reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery;
c. other incurred directly attributable insurance service expenses;
d. effect of changes in risk of reinsurer non-performance;
e. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Company expects to pay in exchange for those services. For groups of reinsurance contracts held measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Insurance finance income or expenses
Insurance finance income or expenses comprise the change in the carrying amount of the groups of insurance contracts respectively arising from:

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

Onerous contract

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the discounted FCF determined under the General Measurement Model ("GMM"), with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised.

The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

The Company does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.4 IFRS 17 – accounting policies, including key judgments and estimates (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The Company has chosen the confidence level between 55th percentile to 75th percentile of the distribution of the claim reserves, considering this level is adequate to cover sources of uncertainty about the amount and timing of the cash flows. Various methods are used to determine the risk adjustment including Mack Model, Cost of Capital (CoC) approach and the factors derived from relevant regulatory requirements.

Derecognition of insurance contracts

An insurance contract is derecognised when it is:

a) extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
b) the contract is modified and additional criteria discussed below are met.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below and as disclosed in Note 3.

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS

As stated in note 2, this is the Company's first condensed consolidated interim financial information prepared in accordance with the requirements of IFRS 17.

The accounting policies set out in note 3 have been applied in preparing the condensed consolidated interim financial information for the period ended 30 June 2023 and 30 June 2022 and in the preparation of an opening IFRS 17 condensed consolidated interim statement of financial position at 1 January 2022 (the Company's date of transition) and 31 December 2022.

In preparing its opening IFRS 17 condensed consolidated interim statement of financial position, the Company has adjusted amounts reported previously in financial statements under IFRS 4. An explanation of how the transition from IFRS 4 to IFRS 17 has affected the Company's financial position, for the respective periods, is set out in the following tables and the notes that accompany the tables.

Reconciliation of condensed consolidated interim statement of financial position as at 31 December 2021.

			IFRS		
	Pre -adoption of IFRS 17	**Changes in Presentation**	**Reclassification**	**Remeasurement**	**Post adoption of IFRS 17**
ASSETS					
Property and equipment	5,591,281	-	-	-	5,591,281
Goodwill	303,559	-	-	-	303,559
Right-of-use assets	65,664	-	-	-	65,664
Contract assets	15,978	-	-	-	15,978
Equity-accounted investees	12,078	-	-	-	12,078
Financial asset at FVTOCI	418,658	-	-	-	418,658
Inventories	284,088	-	-	-	284,088
Due from related parties	686,354	-	(8,839)	-	677,515
Financial asset at FVTPL	420,689	-	-	-	420,689
Trade and other receivables	694,994	-	(267,366)	-	427,628
Reinsurance contract assets	757,381	-	37,550	(117,031)	677,900
Short-term investments	348,632	-	-	-	348,632
Cash and bank balances	349,407	-	-	-	349,407
TOTAL ASSETS	**9,948,763**	-	**(238,655)**	(117,031)	**9,593,077**

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS (CONTINUED)

Reconciliation of condensed consolidated interim statement of financial position as at 31 December 2021 (continued).

			IFRS 17		
	Pre -adoption of IFRS 17	**Changes in Presentation**	**Reclassific**	**Remeasurement**	**Post adoption of IFRS 17**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	1,858,409	-	-	-	1,858,409
Legal reserve	377,308	-	-	-	377,308
General reserve	74,516	-	-	-	74,516
Translation reserve	(55,836)	-	-	-	(55,836)
Fair value reserve	3,786	-	-	-	3,786
Retained earnings	1,027,576	-	-	61,551	1,089,127
Non-controlling interests	(198)	-	-	-	(198)
Total Equity	3,285,561	-	-	61,551	3,347,112
LIABILITIES					
Loans and borrowings	4,366,861	-	-	-	4,366,861
Contract liabilities	5,267	-	-	-	5,267
Provision for decommissioning costs	45,669	-	-	-	45,669
Provision for employees' end of service benefits	101,259	-	-	-	101,259
Lease liabilities	44,815	-	-	-	44,815
Dividends payable	50,429	-	-	-	50,429
Trade and other payables	787,841	1,980	(221,697)	-	568,124
Due to related parties	46,487	(1,980)	(9,684)	-	34,823
Insurance contract liabilities	1,214,575	-	(7,274)	(178,583)	1,028,718
Total Liabilities	6,663,203	-	(238,655)	(178,583)	6,245,965

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS (CONTINUED)

Reconciliation of condensed consolidated interim statement of financial position as at 31 December 2022.

			IFRS 17		
	Pre -adoption of IFRS 17	**Changes in Presentation**	**Reclassification**	**Remeasurement**	**Post adoption of IFRS 17**
ASSETS					
Property and equipment	5,560,956	-	-	-	5,560,956
Goodwill	303,559	-	-	-	303,559
Right-of-use assets	49,571	-	-	-	49,571
Contract assets	13,104	-	-	-	13,104
Equity-accounted investees	28,088	-	-	-	28,088
Financial asset at FVTOCI	306,592	-	-	-	306,592
Inventories	393,170	-	-	-	393,170
Due from related parties	759,940	-	(88,721)	-	671,219
Financial asset at FVTPL	438,185	-	-	-	438,185
Trade and other receivables	799,656	-	(320,867)	-	478,789
Reinsurance contract assets	1,091,277	-	(244,232)	(178,599)	668,446
Short-term investments	746,126	-	-	-	746,126
Cash and bank balances	396,447	-	-	-	396,447
TOTAL ASSETS	**10,886,671**	-	(653,820)	(178,599)	**10,054,252**

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS (CONTINUED)

Reconciliation of condensed consolidated interim statement of financial position as at 31 December 2022 (Continued)

			IFRS 17		
	Pre -adoption of IFRS 17	**Changes in Presentation**	**Reclassification**	**Remeasurement**	**Post adoption of IFRS 17**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	1,858,409	-	-	-	1,858,409
Legal reserve	384,340	-	-	-	384,340
General reserve	74,516	-	-	-	74,516
Translation reserve	(71,371)	-	-	-	(71,371)
Fair value reserve	(27,646)	-	-	-	(27,646)
Retained earnings	1,372,390	-	-	57,894	1,430,284
Non-controlling interests	(312)	-	-	-	(312)
Total Equity	**3,590,325**	**-**	**-**	**57,894**	**3,648,219**
LIABILITIES					
Loans and borrowings	4,368,055	-	-	-	4,368,055
Contract liabilities	17,320	-	-	-	17,320
Provision for decommissioning costs	45,899	-	-	-	45,899
Provision for employees' end of service benefits	112,028	-	-	-	112,028
Lease liabilities	41,371	-	-	-	41,371
Dividends payable	48,619	-	-	-	48,619
Trade and other payables	(1,208,603)	2,178,011	(297,267)	-	672,141
Due to related parties	(2,203,645)	(2,178,011)	(4,739)	-	20,895
Insurance contract liabilities	1,668,009	-	(351,812)	(236,492)	1,079,705
Total Liabilities	**7,296,343**	**-**	**(653,818)**	**(236,492)**	**6,406,033**

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS (CONTINUED)

Reconciliation of condensed consolidated interim statement of profit or loss and other comprehensive income for the period ended 30 June 2022

		IFRS 17		
	Pre -adoption of IFRS 17	**Reclassification**	**Remeasurement**	**Post adoption of IFRS 17**
Revenue	1,457,308	(407,521)	-	1,049,787
Direct costs	(1,162,954)	368,622	-	(794,332)
Gross profit from non-insurance operations	**294,354**	**(38,899)**	**-**	**255,455**
Insurance revenue	-	407,521	35	407,556
Insurance service expenses	-	(242,959)	(67,243)	(310,202)
Net income from reinsurance contracts held	-	(125,663)	24,406	(101,257)
INSURANCE SERVICE RESULT	**-**	**38,899**	**(42,802)**	**(3,903)**
Gross profit and net insurance service results	**294,354**	**-**	**(42,802)**	**251,552**
Interest income	7,291	-	-	7,291
Dividend income	2,409	1,947	-	4,356
Profit distribution from managed investment funds	1,947	(1,947)	-	-
Net gain on investment securities at fair value through profit or loss	(15,336)	8,241	-	(7,095)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	11,723	(8,241)	-	3,482

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS (CONTINUED)

Reconciliation of condensed consolidated interim statement of profit or loss and other comprehensive income for the period ended 30 June 2022 (Continued)

		IFRS 17			
	Pre-adoption of IFRS 17	**Reclassification**	**Remeasurement**	**Other adjustment***	**Post adoption of IFRS 17**
(Provision) Reversal of credit impairment losses	**8,034**	-	-	-	**8,034**
INVESTMENTS AND OTHER INCOME	-	-	-	-	-
Finance income from insurance contracts issued	-	-	21,440	-	21,440
Finance expense from reinsurance contracts held	-	-	(12,141)	-	(12,141)
NET INSURANCE FINANCE INCOME	-	-	**(9,299)**	-	**(9,299)**
General and administrative expenses	(31,855)	16,049	-	-	(15,806)
Net Expense of provision for impairment of financial assets	(311)	4,073	-	(3,762)	-
PROFIT BEFORE TAX	**34,889**	-	**(33,503)**	-	**1,386**
Income tax expense	(374)	-	-	-	(374)
PROFIT FOR THE PERIOD	**34,515**	-	**(33,503)**	-	**1,012**
Other comprehensive income					
Items that are or may be reclassified to interim condensed statements of income in subsequent periods					
Debt instruments at FVOCI – net change in fair value	(33,143)	-	-	-	(33,143)
Debt instruments at FVOCI – reclassified to profit or loss	3,482	-	-	-	3,482
Items that will not be reclassified to interim condensed statement of income in subsequent periods					
Equity instruments at FVOCI – net change in fair value	-	-	-	-	-
Total other comprehensive loss for the period	**(29,661)**	-	-	-	**(29,661)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,854**	-	**(33,503)**	-	**(28,649)**

*Other adjustment relates to the restatement of credit impairment losses on financial assets, which, in the prior periods, included impairment loss of insurance receivable balances. This presentation has been corrected by excluding impairment loss on insurance receivable balances from credit impairment losses presented on the interim condensed statement of comprehensive income.

5. EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS (CONTINUED)

Remeasurement impact on the condensed consolidated interim statement of financial position on adoption of IFRS 17

Impact on equity:

Drivers of changes in equity	**Impact on equity on transition to IFRS 17 on 1 January 2022**	**Impact on equity on transition to IFRS 17 on 31 December 2022**
Changes in measurement of insurance contract liabilities	178,583	236,492
Changes in measurement of reinsurance contract assets	(117,031)	(178,599)
Total Impact	**61,552**	**57,893**

Impact on insurance contract liabilities:

Drivers of changes	**Impact on liabilities on transition to IFRS 17 on 1 January 2022**	**Impact on liabilities on transition to IFRS 17 on 31 December 2022**
Risk adjustment	176,986	218,701
Loss component on onerous contracts	364	15,497
Additional deferral of identified acquisition costs	1,233	2,295
Total Impact	**178,583**	**236,493**

Impact on reinsurance contract assets:

Drivers of changes	**Impact on assets on transition to IFRS 17 on 1 January 2022**	**Impact on assets on transition to IFRS 17 on 31 December 2022**
Reinsurance risk adjustment	114,791	175,843
Additional deferral of identified commission income	2,240	2,755
Total Impact	**117,031**	**178,599**

Overall increase in net equity, is principally, on account of release of margins for prudency which were held under IFRS 4 within outstanding claims and IBNR reserves. Under IFRS 17, the best estimates reserves are held for IBNR therefore the additional margins held under IFRS 4 have been released resulting in the above impact on risk adjustment.

The increase in deferred insurance acquisition costs is a result of the change in the definition of the acquisition cashflows between IFRS 17 and IFRS 4, since there were few acquisition expenses previously expensed under IFRS 4 which are now amortised under IFRS 17.

6. PROPERTY AND EQUIPMENT

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Cost:		
Balance at 1 January	**10,489,374**	10,180,193
Additions during the period / year	**88,205**	275,987
Disposals during the period / year	**(20,485)**	(12,515)
Write-offs during the period / year	**(8,895)**	(13,213)
Effect of movements in exchange rates during the period / year	**(61,227)**	(29,867)
Effect of hyperinflation (Note 3.3)	**26,725**	88,789
Assets held for sale	**(165,374)**	-
Balance at 30 June / 31 December	**10,348,323**	10,489,374
Accumulated depreciation:		
Balance at 1 January	**4,928,418**	4,588,912
Depreciation charge for the period / year	**176,616**	347,473
Impairment loss	**(4,738)**	2,202
Disposals during the period / year	**(14,873)**	(11,194)
Write-offs during the period / year	**(8,599)**	(12,802)
Effect of movements in exchange rates during the period / year	**(10,064)**	(4,652)
Effect of hyperinflation (Note 3.3)	**4,658**	18,479
Assets held for sale	**(154,385)**	-
Balance at 30 June / 31 December	**4,917,033**	4,928,418
Net carrying amount	**5,431,290**	5,560,956

7. ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS - AMWAJ

On 13 February 2023, the Board of Directors approved entering into exclusive negotiations with third parties in relation to a potential all-share merger between Amwaj Catering Services Limited (Qatari Private Shareholding Company) and a selected group of companies of the third parties engaged in the hospitality and food business. The shareholding of the merged entity will be held by Gulf International Services Q.P.S.C. and the third party. The merger is conditional on all shareholders entering into definitive agreements and obtaining regulatory approvals, as well as respective general assembly meeting approvals. The complete details of the merger will be announced at a later stage after a definitive merger agreement has been entered into.

The expected change in shareholding in Amwaj will result in a loss of control on the part of GIS, however, it will receive joint control of the merged entity in return.

The associated assets and liabilities were consequently presented as held for sale as at 30 June 2023 and has been reported in the current period as a discontinued operation. The interim condensed consolidated statements of profit or loss and other comprehensive income for the comparative period have been re-presented to present the discontinued operations separately to be comparable with the current period.

Goodwill of QAR 303,559 thousand related to the acquisition of Amwaj operations has been included in the disposal group. As required by IFRS 5, an impairment exercise was performed to assess that the disposal group was carried at lower of the carrying amount and fair value less cost to sell.

According to this exercise, recoverable value of CGU was estimated to be higher than its carrying amount and no impairment was required at the reporting date.

7. ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS – AMWAJ (CONTINUED)

The followings are the key assumptions used and significant judgments applied in determination of value-in-use:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Projection period	**5 years**	5 years
Terminal growth rate	**3%**	3%
Discount rate – pre-tax	**7.5%**	7.5%

a) Financial performance and cash flow information

The financial performance and cash flow information for the discontinued operations presented is for the six months ended 30 June 2023.

	30 June 2023 (Reviewed) Re-presented*	30 June 2022 (Reviewed) Re-presented*
	QR.'000	QR.'000
Revenue	**242,867**	268,911
Expenses	**(242,910)**	(274,371)
Gain on disposal of property and equipment	**76**	-
Other income	**591**	534
Finance income	**2,057**	1,176
Finance cost	**(594)**	(1,182)
Profit/(loss) before income tax	**2,087**	(4,932)
Income tax expense	**(62)**	(120)
Profit/(loss) after income tax of discontinued operation	**2,025**	(5,052)

	30 June 2023 (Reviewed) Re-presented*	30 June 2022 (Reviewed) Re-presented*
	QR.'000	QR.'000
Cash generated from/(used in) operating activities	**67,532**	(6,861)
Cash generated from investing activities	**21,670**	29,114
Cash used in financing activities	**(7,117)**	(8,394)

7. ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS – AMWAJ (CONTINUED)

b) Assets and liabilities of disposal group classified as held for sale

	30 June 2023 (Reviewed) Restated*
	QR.'000
Assets classified as held for sale	
Goodwill	303,559
Property and equipment	10,989
Right of use assets	35,362
Trade and other receivables	80,785
Cash and bank balances	43,856
Other current assets	165,017
Total assets of disposal group held for sale	**639,568**
Liabilities directly associated with assets classified as held for sale	
Lease liabilities	30,988
Provision for decommissioning	46,018
Trade and other payables	145,135
Provision for employees' end of service benefits	32,973
Other current liabilities	2,064
Total liabilities of disposal group held for sale	**257,178**

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The details of Group's right-of-use assets are as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited) Restated*
	QR.'000	QR.'000
Balance at 1 January	**49,571**	65,664
Addition during the period / year	**3,123**	15,075
Depreciation charge for the period / year	**(14,519)**	(31,168)
Assets classified as held for sale	**(35,362)**	-
	2,813	49,571

In relation to above right-of-use assets, the Group has recorded lease liabilities as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Balance at 1 January	**41,371**	44,815
Additions during the period / year	**3,178**	15,073
Finance costs for the period / year	**453**	1,531
Payments made during the period / year	**(10,775)**	(20,048)
Liabilities classified as held for sale	**(30,989)**	-
	3,238	41,371

Lease liabilities are presented in condensed consolidated interim statement of financial position as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Non-current liabilities	**-**	7,432
Current liabilities	**3,238**	33,939
	3,238	41,371

9. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSETS AT FVTPL

The carrying amounts of the Group's financial assets are as follows:

	30 June 2023 (Reviewed) QR.'000	31 December 2022 (Audited) QR.'000
Financial assets measured at fair value through profit or loss (FVTPL)		
Quoted debt securities held with banks (i)	**126,979**	123,043
Quoted equity securities held with banks (i)	**168,108**	171,538
Quoted shares in Qatari public shareholding companies	**150,129**	143,604
	445,216	438,185
Financial assets measured at fair value through other comprehensive income (FVOCI)		
Quoted debt securities (ii)	**285,902**	288,641
Quoted managed investment funds	**22,222**	22,222
Unquoted shares	**3**	3
	308,127	310,866
Less: Provision for impairment of financial investments (iv)	**(4,403)**	(4,274)
	303,724	306,592
	748,940	744,777

(i) These represent quoted debt and equity securities held with banks. These are acquired and incurred principally for the purpose of selling or repurchasing them in the near term or to take advantage of short term market movements.

(ii) Quoted debt securities at FVOCI are held with local commercial banks with original maturity of up to one to nine years and earn interest at 1.38% to 10.75% (2022: 1.38% to 10.75%).

(iii) Financial assets at FVTPL and FVOCI, except unquoted shares, have been valued using Level 1 measurement basis and there have been no transfers between Level 1 and Level 2 fair value measurements.

(iv) The provision arises from assets measured at FVOCI.

Presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2023 (Reviewed) QR.'000	31 December 2022 (Audited) QR.'000
Non-current assets	**303,724**	306,592
Current assets	**445,216**	438,185
	748,940	744,777

10. TRADE AND OTHER RECEIVABLES

	30 June 2023 (Reviewed)	31 December 2022 (Audited-Restated)
	QR.'000	QR.'000
Trade and insurance receivables	**428,452**	681,560
Accrued income	**28,697**	86,607
Advances	**28,362**	23,982
Prepayments	**44,632**	21,718
Deposits	**3,376**	4,309
Other receivables	**48,352**	57,251
Reclassification – IFRS 17 transition	**-**	(320,867)
Assets classified as held for sale	**(80,785)**	-
	501,086	554,560
Less: Provision for impairment of trade and other receivables	**(62,826)**	(75,771)
	438,260	478,789

Movement in the provision for impairment of trade and other receivables is as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited-Restated))
	QR.'000	QR.'000
Balance at 1 January	**75,771**	73,012
Recovery from provision	**(12,945)**	-
Provision made during the period / year	**-**	2,759
	62,826	75,771

The provision for impairment of trade and other receivables relating to Assets held for sale is QR 7,263 thousand (2022: QR 7,263 thousand).

11 SHORT-TERM INVESTMENTS

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Short term investments	**858,319**	746,126
Assets classified as held for sale	**(75,000)**	-
	783,319	746,126

As at 30 June 2023, the Group has fixed deposits with local banks with original maturity in excess of three months up to one year and earning interest ranging between 2.65% to 6.2% per annum (2022: 2 % to 5% per annum).

12. CASH AND BANK BALANCES

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Cash in hand	**1,081**	1,091
Assets classified as held for sale	**(889)**	-
Cash at bank		
Current accounts and call deposits	**378,926**	254,969
Assets classified as held for sale	**(42,967)**	-
Fixed and term deposits (1) & (2)	**-**	140,813
	336,151	396,873
Less: Provision for impairment of bank balances	**(55)**	(426)
Cash and bank balances as per condensed consolidated statement of financial position	**336,096**	396,447
Less: Cash at bank – restricted for dividend (Note 14)	**(49,106)**	(48,619)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	**286,990**	347,828

(1) These fixed deposits held with banks are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes, capable of being readily convertible to a known amount of cash and with an insignificant risk of changes in value.

(2) As at 30 June 2023, fixed deposits held with local commercial banks with original maturity of up to three months was nil (2022: QR 140,813 thousand and earning interest at 1.25% to 3.5% per annum).

13. SHARE CAPITAL

	30 June 2023 (Reviewed)	31 December 2022 (Audited) Restated*
	QR.'000	QR.'000
Issued and paid up capital	**1,858,409**	1,858,409

The Company has an authorised share capital of QR 2,000 million, divided into 1 special share of nominal value of QR 1 and 1,999,999,999 ordinary shares of each of nominal value of QR 1. As at the reporting date, the Company had issued and paid up capital of QR 1,858,409 thousand (2022: QR 1,858,409 thousand) which consists of 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1 (2022: 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1). The special share is owned by QatarEnergy and may not be cancelled or redeemed without the consent of the QatarEnergy. Special share may be transferred only to the Government, any Government Corporation or any QatarEnergy affiliate. QatarEnergy exercises the control over the Company by virtue of holding the Special Share. All ordinary shares carry equal rights.

14. DIVIDENDS

During the period, the shareholders approved dividend amounting to QR 185,841 thousand.

15. LOANS AND BORROWINGS

	30 June 2023 (Reviewed)	31 December 2022 (Audited-Restated)
	QR.'000	QR.'000
Loans related to drilling segment (i)	**4,371,358**	4,362,904
Loan related to aviation segment (ii)	**8,343**	10,011
	4,379,701	4,372,915
Less: Unamortised finance costs associated with raising finance	**-**	(4,860)
	4,379,701	4,368,055

Presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited-Restated)
	QR.'000	QR.'000
Non-current liabilities	**3,372,006**	2,633,625
Current liabilities	**1,007,695**	1,734,430
	4,379,701	4,368,055

(i) These borrowings are related to the Company's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.70% (2022: LIBOR plus 1.35% - 2.70%). Most of these loans are to be repaid in quarterly instalments. The loans obtained by GDI are unsecured.

In March 2023, the Company renegotiated its existing loan facilities and obtained a new loan facility of USD 925 million from an Islamic bank. The loan will be repaid in 18 unequal annual instalments commencing from 2026 and a balloon payment of 35% upon maturity in 2048.

The refinancing did not result in any extinguishment gain/loss. However, transaction cost of USD 6.2 million relating to the new facility and the unamortised transaction cost relating to the old facilities were recognised in the statement of profit or loss and other comprehensive income during the period.

(ii) The borrowings are related to the Company's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC have entered into a borrowing facility to finance the purchase of helicopters. The facility had an interest rate of 6 months LIBOR plus 1.35% - 2.75% (2022: LIBOR plus 1.35% - 2.75%).

As of 30 June 2023 LIBOR will not be published hence the entity has requested amendment to the master agreement to update the interest rate requirement. The entity and the bank is in the process of making the amendments to the master agreement in which the interest basis will be SOFR (Secured overnight financing rate) administered by the Federal Reserve Bank of New York.

The loan is to be repaid in bi-annual installments, it is unsecured and does not have any financial covenants.

16. REVENUE

(a) Revenue streams

The Group mainly generates revenue from the catering, aviation, drilling and insurance and reinsurance services.

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed-Restated)
	QR.'000	QR.'000
Revenue from contracts with customers	**1,163,122**	1,049,787
	1,163,122	1,049,787

16.1 Revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary major products and service lines and timing of revenue recognition.

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed-Restated)
	QR.'000	QR.'000
Revenue from drilling and ancillary services	**664,928**	609,036
Revenue from aviation services		
Aviation revenues	**442,049**	373,512
Maintenance and repair operation revenue	**55,303**	65,143
Training revenue	**842**	2,096
	498,194	440,751
	1,163,122	1,049,787

Timing of revenue recognition

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed-Restated)
	QR.'000	QR.'000
Products and services transferred at a point in time	**201,378**	135,823
Products and services transferred over time	**961,744**	913,964
	1,163,122	1,049,787

17. DIRECT COSTS

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed-Restated)
	QR.'000	QR.'000
Direct costs of drilling and ancillary services	**542,829**	540,604
Direct costs of aviation services	**281,500**	253,728
	824,329	794,332

18. INSURANCE AND REINSURANCE CONTRACTS

Breakdown of the amounts presented on the interim condensed statement of financial position for insurance contract liabilities and reinsurance contract liabilities is as follows:

18.1 Analysis by remaining coverage and incurred claims for insurance contracts

	Period ended 30 June 2023 (Reviewed)				
	Liability for remaining coverage (LRC)		**Liability for incurred claims (LIC)**		
	Excluding loss component	**Loss component**	**Estimate of present value of cash flows**	**RA for non-financial risk**	**Total**
Insurance contracts issued:					
Opening insurance contract liabilities	113,532	6,047	879,467	80,659	1,079,705
Insurance revenue	**(548,696)**	**-**	**-**	**-**	**(548,696)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	192,858	16,527	209,385
Changes that relate to past service - adjustments to the LIC	-	-	94,451	(21,645)	72,806
Reversal of onerous contract	-	38,006	-	-	38,006
Insurance acquisition cash flows amortization	35,152	-	-	-	35,152
Insurance service expenses	**35,152**	**38,006**	**287,309**	**(5,118)**	**355,349**
Insurance service result	**(513,544)**	**38,006**	**287,309**	**(5,118)**	**(193,347)**
Insurance finance expenses	**-**	**-**	**20,021**	**2,156**	**22,177**
Total changes in the interim condensed statement of income	**(513,544)**	**38,006**	**307,330**	**(2,962)**	**(171,170)**
Cash flows					
Premiums received	558,613	-	-	-	558,613
Claims and other directly attributable expenses paid	-	-	(350,365)	-	(350,365)
Insurance acquisition cash flows paid	(16,695)	-	-	-	(16,695)
Total cash flows	**541,918**	**-**	**(350,365)**	**-**	**191,553**
Closing insurance contract liabilities	**141,906**	**44,053**	**836,432**	**77,697**	**1,100,088**

18. INSURANCE AND REINSURANCE CONTRACTS (continued)

18.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

	Year ended 31 December 2022 (Audited)				
	Liability for remaining coverage (LRC)		**Liability for incurred claims (LIC)**		
	Excluding loss component	**Loss component**	**Estimate of present value of cash flows**	**RA for non-financial risk**	**Total**
Insurance contracts issued:					
Opening insurance contract liabilities	**80,705**	**-**	**880,863**	**67,151**	**1,028,719**
Insurance revenue	(887,784)	-	-	-	(887,784)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	689,910	53,323	743,233
Changes that relate to past service - adjustments to the LIC	-	-	(114,158)	(40,369)	(154,527)
Losses on onerous contract	-	6,047	-	-	6,047
Insurance acquisition cash flows amortization	65,935	-	-	-	65,935
Insurance service expenses	65,935	6,047	575,752	12,954	660,688
Insurance service result	(821,849)	6,047	575,752	12,954	(227,096)
Insurance finance expenses	-	-	(7,891)	553	(7,338)
Total changes in the statement of income	**(821,849)**	**6,047**	**567,861**	**13,507**	**(234,434)**
Cash flows					
Premiums received	922,002	-	-	-	922,002
Claims and other directly attributable expenses paid	-	-	(569,256)	-	(569,256)
Insurance acquisition cash flows paid	(67,326)	-	-	-	(67,326)
Total cash flows	**854,676**	**-**	**(569,256)**	**-**	**285,420**
Closing insurance contract liabilities	**113,53[illegible]**	**6,047**	**879,467**	**80,659**	**1,079,705**

18. INSURANCE AND REINSURANCE CONTRACTS (continued)

18.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

	Period ended 30 June 2022 (Reviewed)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	Total
Insurance contracts issued:					
Opening insurance contract liabilities	80,705	-	880,863	67,151	1,028,719
Insurance revenue	**(407,555)**	**-**	**-**	**-**	**(407,555)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	275,560	24,965	300,524
Losses on onerous contracts and reversals of those losses	-	37,211	-	-	37,211
Insurance acquisition cash flows amortization	29,255	-	-	-	29,255
Changes to liabilities for incurred claims	-	-	(28,155)	(28,634)	(56,789)
Insurance service expenses	**29,255**	**37,211**	**247,405**	**(3,670)**	**310,201**
Insurance service result	**(378,299)**	**37,211**	**247,405**	**(3,670)**	**(97,353)**
Insurance finance expenses	**-**	**-**	**(21,993)**	**553**	**(21,440)**
Total changes in the statement of income	**(378,299)**	**37,211**	**225,412**	**(3,117)**	**(118,793)**
Cash flows					
Premiums received	358,112	-	-	-	358,112
Claims and other directly attributable expenses paid	-	-	(396,890)	-	(396,890)
Insurance acquisition cash flows paid	(36,942)	-	-	-	(36,942)
Total cash flows	**321,170**	**-**	**(396,890)**	**-**	**(75,720)**
Closing insurance contract liabilities	**23,575**	**37,211**	**709,385**	**64,035**	**834,206**

18. INSURANCE AND REINSURANCE CONTRACTS (continued)

18.2 Analysis by remaining coverage and incurred claims for reinsurance contracts

	Period ended 30 June 2023 (Reviewed)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	**(711,896)**	**2,964**	**1,322,580**	**54,798**	**668,446**
Reinsurance service expenses					
Reinsurance expenses	(292,475)	-	-	-	(292,475)
Amounts recoverable from reinsurers for incurred claims :	-	14,062	143,856	(3,202)	154,716
Amounts recoverable for incurred claims and other expenses	-	-	114,837	9,113	123,950
Loss-recovery on onerous underlying contracts and adjustments	-	14,062	-	-	14,062
Changes that relate to past service adjustment to amounts recoverable for incurred claims	-	-	29,019	(12,315)	16,704
Net expense from reinsurance contracts held	**(292,475)**	**14,062**	**143,856**	**(3,202)**	**(137,759)**
Finance income from reinsurers contracts held	-	-	22,916	1,471	24,387
Effect of changes in non-performance risk of reinsurers	-	-	509	-	509
Total changes in the interim condensed statement of income	**(292,475)**	**14,062**	**167,281**	**(1,731)**	**(112,863)**
Cash flows					
Premiums ceded cash flows paid	93,139	-	-	-	93,139
Recoveries from reinsurance	-	-	(17,655)	-	(17,655)
Total cash flows	**93,139**	**-**	**(17,655)**	**-**	**75,484**
Closing reinsurance contract assets	**(911,232)**	**17,026**	**1,472,206**	**53,067**	**631,067**

18. INSURANCE AND REINSURANCE CONTRACTS (continued)

18.2 Analysis by remaining coverage and incurred claims for reinsurance contracts (continued)

	Year ended 31 December 2022 (Audited)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component	**Loss recovery component**	**Estimate of present value of cash flows**	**RA for non-financial risk**	**Total**
Reinsurance contracts held:					
Opening reinsurance contract assets	**(555,292)**	**-**	**1,190,648**	**42,545**	**677,901**
Reinsurance service expenses					
Reinsurance expenses	(501,488)	-	-	-	(501,488)
Amounts recoverable from reinsurers for incurred claims	-	2,964	365,431	11,809	380,204
Amounts recoverable for incurred claims and other expenses	-	-	334,600	25,646	360,246
Loss-recovery on onerous underlying contracts and adjustments	-	2,964	-	-	2,964
Changes that relate to past service adjustment to amounts recoverable for incurred claims	-	-	30,831	(13,837)	16,994
Net income or expense from reinsurance contracts held	**(501,488)**	**2,964**	**365,431**	**11,809**	**(121,284)**
Finance expense from reinsurers contracts held	-	-	(20,289)	443	(19,846)
Effect of changes in non-performance risk of reinsurers	-	-	1,347	-	1,346
Total changes in the interim condensed statement of income	**(501,488)**	**2,964**	**346,489**	**12,252**	**(139,784)**
Cash flows					
Premiums ceded cash flows paid	344,885	-	-	-	344,885
Recoveries from reinsurance	-	-	(214,555)	-	(214,556)
Total cash flows	**344,885**	**-**	**(214,555)**	**-**	**130,329**
Closing reinsurance contract assets	**(711,895)**	**2,964**	**1,322,581**	**54,797**	**668,446**

18. INSURANCE AND REINSURANCE CONTRACTS (continued)

18.2 Analysis by remaining coverage and incurred claims for reinsurance contracts (continued)

	Period ended 30 June 2022 (Reviewed)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	**(555,292)**	**-**	**1,190,648**	**42,545**	**677,901**
Reinsurance service expenses					
Reinsurance expenses	(244,847)	-	-	-	(244,847)
Amounts recoverable from reinsurers for incurred claims	-	4,532	141,090	(2,031)	143,591
Amounts recoverable for incurred claims and other expenses	-	-	125,523	7,801	133,324
Loss-recovery on onerous underlying contracts and adjustments	-	-	15,568	(9,832)	5,735
Changes to amounts recoverable for incurred claims	-	4,532	-	-	4,532
Net income from reinsurance contracts held	**(244,847)**	**4,532**	**141,091**	**(2,031)**	**(101,255)**
Finance expense from reinsurers contracts held	-	-	(13,372)	362	(13,010)
Effect of changes in non-performance risk of reinsurers	-	-	868	-	868
Total changes in the interim condensed statement of income	**(244,847)**	**4,532**	**128,587**	**(1,669)**	**(113,397)**
Cash flows					
Premiums ceded cash flows paid	34,356	-	-	-	34,356
Recoveries from reinsurance	-	-	(142,344)	-	(142,344)
Total cash flows	**34,356**	**-**	**(142,344)**	**-**	**(107,988)**
Closing reinsurance contract assets	**(765,783)**	**4,532**	**1,176,891**	**40,876**	**456,516**

19. GENERAL AND ADMINISTRATIVE EXPENSES

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed-Restated)
	QR.'000	QR.'000
Salaries and other benefits	**43,545**	40,079
Legal and professional expenses	**2,615**	1,905
Board of Directors' allowances	**3,300**	2,156
Public relations and advertisement expenses	**1,252**	1,540
Travel expenses	**686**	1,072
Communication expenses	**1663**	646
Qatar Exchange and QCSD expense	**520**	498
Repairs and maintenance expenses	**3,642**	2,254
Miscellaneous expenses	**24,880**	22,084
	82,103	72,234

20. OTHER INCOME

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed)
	QR.'000	QR.'000
Income tax benefit recognised pursuant to an MOU (1)	**1,945**	3,008
Gain from sale of financial assets	777	-
Dividend income	**4,809**	3,423
Miscellaneous income	**11,832**	1,659
	19,363	8,090

(1) This represents the tax benefit that the Group has received during the period as a result of settlement of income tax of the Group's subsidiaries through a defined arrangement between QatarEnergy, Ministry of Finance and General Tax Authority as per the Memorandum of Understanding dated 4 February 2020, signed between the above mentioned parties (Note 21).

21. INCOME TAX EXPENSE

In light of the provisions of the Qatar Income Tax Law No. 24 of 2018 and subsequent Executive Regulations, on 4 February 2020, QatarEnergy (Parent Company), Ministry of Finance and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding ("MOU") which provided a mechanism for the settlement of the income tax liability of subsidiaries and joint ventures (included in the said MOU) of certain companies listed on Qatar Exchange. All four of the Group's local subsidiaries (Note 1) were included in the said MOU, according to which the income tax liability of the subsidiaries would ultimately be borne by Ministry of Finance. However, as per the MOU, the subsidiaries are required to calculate the income tax and pay such income tax amounts directly to the Company. Further, as per subsequent clarifications received from GTA, the subsidiaries assessed that they are taxable only on the profits attributable to the foreign shareholders of the Company and the income tax rate applicable to the subsidiaries is 10% (as at 31 December 2022 effective tax rate of 1.511%). Accordingly, income tax applicable to the subsidiaries for the six-month period ended 30 June 2023 amounted to 2.702 million (30 June 2022: QR 3.136 million) and overprovision in respect of prior year amounted to QR 0.757 million. The Group has recorded the total tax amount of QR 1.945 million as tax expense for the six-month period ended 30 June 2023.

21. INCOME TAX EXPENSE (CONTINUED)

Further, to recognise the tax benefit arising to the Group from the said MOU, the Group has recognised an income corresponding to this total tax charge for the year amounting to QR 1.945 million and is included under other income in the condensed consolidated interim statement of profit or loss and other comprehensive income (Note 20).

In determining the effective tax rate, the Company has applied judgment related to the foreign shareholding as at 31 December 2022. However, the management does not anticipate any material change to the tax amount (recorded based on effective tax rate) once it is assessed by the tax authority.

The tax expense reflected in the condensed consolidated interim statement of profit or loss and other comprehensive income represents the income tax on taxable income as detailed below:

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed)
	QR.'000	QR.'000
Current tax expense / (income):		
Current period charge	**2,702**	3,136
Relating to prior year, net	**(757)**	(247)
	1,945	2,889

22. RELATED PARTIES

The Group, in the ordinary course of business, carries out transactions with other business enterprises that fall within the definition of related parties as per International Accounting Standard (IAS) 24 "Related Party Disclosures". The balances with related parties as at the period-end and the transactions during the period, are disclosed as follows:

(a) Transactions with related parties

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed)
	QR.'000	QR.'000
Revenue – Parent, associate and affiliated entities	**1,126,321**	949,295
Direct and other operating expenses – Parent, associate and affiliated entities	**61,504**	48,290

22. RELATED PARTIES (CONTINUED)

(b) Related party balances

Name of the entity	Relationship	Due from		Due to	
		30 June 2023 (Reviewed)	31 December 2022 (Audited)	**30 June 2023 (Reviewed)**	31 December 2022 (Audited)
QatarEnergy	Parent	**226,098**	299,095	**5,463**	16,553
Oryx GTL Limited	Affiliate	**831**	700	**-**	-
Qatargas Operating Company Limited	Affiliate	**164,720**	126,226	**-**	-
Gulfdrill L.L.C. (1)	Affiliate	**179,566**	240,605	**-**	-
Qatar Fuel Company (WOQOD) Q.P.S.C.	Affiliate	**8,346**	16,881	**5,104**	7,354
North Oil Company	Affiliate	**21,623**	22,706	**-**	-
Seef Limited	Affiliate	**-**	-	**-**	-
Qatar Fertiliser Company (QAFCO) Q.P.S.C.	Affiliate	**399**	24,801	**-**	-
Ras Laffan Olefins Limited	Affiliate	**-**	-	**-**	-
Gasal Q.S.C.	Affiliate	**68**	-	**-**	-
Others*	Affiliates	**2,670**	34,027	**12,597**	3,905
		604,321	765,041	**23,164**	27,812
Reclassification – IFRS 17 transition		**-**	(88,721)	**-**	(6,917)
Assets and liabilities classified as held for sale		**(76,120)**	-	**(2,064)**	-
Less: Provision for impairment (2)		**(2,969)**	(5,101)	**-**	-
		525,232	671,219	**21,100**	20,895

* This includes balance pertaining to accruals of Board of Directors' retainer and attendance allowance.

The due from related party balances except (1) below, are of trading nature, bear no interest or securities and are receivable on due date as per respective contracts, which is less than 12 months from the reporting date. These balances also include accrued revenues which are not yet billed to customers at period end.

1.The Group charges the interest of 5.75% (2022 : 5.75%) per annum on the balance due from Gulfdrill L.L.C.
2.The provision for impairment of due from related party balance relating to Assets held for sale is QR 2,969 thousand (2022: QR 7,263 thousand).

22. RELATED PARTIES (CONTINUED)

(c) *Remuneration of key management personnel*

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed)
	QR.'000	QR.'000
Board of Directors' allowances (1)	**3,740**	2,596
Other key management personnel	**11,524**	9,932

(1) This represents amount accrued for Board of Directors' retainer and attendance allowance.

23. EARNINGS PER SHARE

Basic earnings per share has been calculated by dividing the profit for the period attributable to ordinary shareholders by the adjusted weighted average number of equity shares outstanding at the end of the reporting period.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed)
	QR.'000	QR.'000
Profit attributable to shareholders of the Company (QR '000)	**280,970**	137,377
Weighted average number of ordinary shares outstanding (in shares) (Note 13)	**1,858,408,689**	1,858,408,689
Basic and diluted earnings per share	**0.1512**	0.0739

As a result of the restatements disclosed in Note 27, EPS number as at 30 June 2022 was restated. It was previously reported as 0.0903 and after restatement has been reported as 0.0739.

24. CONTINGENCIES AND COMMITMENTS

(a) *Contingencies*

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Contingent liabilities:		
Guarantees against performance bonds	**251,888**	322,970
Group's share in contingencies of joint ventures	**5,855**	5,808

(1) The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. As of the end of the reporting period, the result of the pending or threatened legal proceeding is unpredictable. No further disclosures are made to avoid prejudicing the position of the parties involved in the disputes.

24. CONTINGENCIES AND COMMITMENTS(CONTINUED)

(b) Commitments

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Capital commitments	**699,523**	703,624

It is not anticipated that any material liabilities will arise from the commitments which were issued in the normal course of business.

25. OPERATING SEGMENTS

The Group has four reportable segments, as described below. The segments offer different products and services and are managed separately because they require different technology and marketing strategies and also incorporated as separate legal entities. For each of the segments, the Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations of each reportable segment

Reportable segments	**Operations**
Insurance	Provides insurance and reinsurance services in Qatar.
Aviation	Provides helicopter transportation services throughout the Gulf Region, Libya, Turkey and Morocco and India. The aviation segment includes the information relating to Gulf Helicopters Company and its subsidiaries and joint ventures.
Catering	Provides catering, manpower and related services in Qatar.
Drilling	Provides drilling and ancillary services in Qatar.

25. OPERATING SEGMENTS (CONTINUED)

As at and for the six-month period ended 30 June 2023 (Reviewed)	**Insurance**	**Aviation**	**Catering**	**Drilling**	**Total**
Segment revenue	**548,696**	**498,469**	**242,867**	**665,640**	**1,955,672**
Inter-segment revenue	**(928)**	**(60)**	**(27,126)**	**-**	**(28,114)**
External revenues	**547,768**	**498,409**	**215,741**	**665,640**	**1,927,558**
Segment profit before tax	**63,459**	**228,943**	**2,025**	**(21,739)**	**272,686**
Segment assets	**1,895,678**	**1,657,029**	**336,008**	**5,222,131**	**9,110,846**
Segment liabilities	**1,127,843**	**177,009**	**268,747**	**4,731,501**	**6,305,100**

As at and for the six-month period ended 30 June 2022 (Reviewed)	**Insurance**	**Aviation**	**Catering**	**Drilling**	**Total**
Segment revenue	407,555	440,752	268,911	631,891	1,749,109
Inter-segment revenue	(3,149)	-	(20,237)	-	(23,386)
External revenues	404,406	440,752	248,674	631,891	1,725,723
Segment profit before tax	21,440	163,355	(1,167)	(23,251)	160,377
Segment assets	1,857,519	1,559,318	384,193	5,285,509	9,086,539
Segment liabilities	1,107,946	184,191	290,276	4,711,185	6,293,598

25. OPERATING SEGMENTS (CONTINUED)

25.1 Reconciliation of reportable segments profit or loss

	Six-month period ended 30 June 2023 (Reviewed)	Six-month period ended 30 June 2022 (Reviewed)
	QR.'000	QR.'000
Total profit for reportable segments before tax	**272,686**	160,377
Other unallocated profit or loss (Profit or loss of parent company)	**250,264**	162,327
Elimination of dividends from subsidiaries to parent company	**(239,114)**	(164,890)
Other consolidation adjustments	**(2,998)**	(12,567)
Consolidated profit for the period before tax	**280,838**	145,247

25.2 Reconciliation of reportable segments total assets

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	QR.'000	QR.'000
Total assets for reportable segments	**9,137,320**	10,099,918
Other un-allocable assets	**3,290,748**	3,244,470
Elimination of investments in subsidiaries	**(2,514,398)**	(2,574,398)
Assets relating to purchase price allocation	**79,409**	83,773
Reclassification – IFRS 17 transition	**-**	(832,419)
Asset relating to goodwill	**303,559**	303,559
Elimination of inter-segments assets	**(288,029)**	(270,651)
Consolidated total assets	**10,008,609**	10,054,252

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss or total assets since 31 December 2022.

26. FINANCIAL INSTRUMENTS - FAIR VALUE

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

26. FINANCIAL INSTRUMENTS - FAIR VALUE (CONTINUED)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2023 (Reviewed)	**Level 1 QR'000**	**Level 2 QR'000**	**Level 3 QR'000**	**Total QR'000**
Assets measured at fair value				
Financial investments at FVTPL	**444,008**	**-**	**1,208**	**445,216**
Financial investments at FVOCI	**281,502**	**-**	**22,222**	**303,724**
31 December 2022 (Audited)				
Assets measured at fair value				
Financial investments at FVTPL	**432,026**	**-**	**6,159**	**438,185**
Financial investments at FVOCI	**284,370**	**-**	**22,222**	**306,592**

27. RESTATEMENTS

Management has re-evaluated the accounting treatment of certain transactions and balances recorded in the consolidated financial statements in the prior years to determine if such transactions and balances have been accounted for appropriately under International Financial Reporting Standards ("IFRS").

The Company also performed an exercise to determine if the presentation of the condensed consolidated interim financial information is in accordance with IAS 1 "Presentation of financial statements". As a result, management restated the comparatives as detailed below in the consolidated financial statements for the year ended 30 June 2023.

Summary of the effect of these restatements on the previously reported figures is as follows:

i. Accounting for Decommissioning provision:

The Company currently records a decommissioning provision in respect of various plots of land leased from a related party. However, Historically, the Company has recognized the decommissioning cost as an expense in the statement of profit or loss and other comprehensive income and the corresponding decommissioning provisions on the face of the statement of financial position.

In terms of IFRS 16 - Leases ("IFRS 16")International Financial Reporting Standards [IFRS]-16-Leases, requires a lessee should include the amount of expected decommissioning as part of right of use assets, the costs to be incurred by the lessee in dismantling and removing the underlying asset, or restoring the underlying asset to the condition required by the terms and conditions of the lease, as part of the right of use asset.

During the year the Company has reassessed its accounting treatment and based on the requirements of IFRS 16 have recognized decommissioning provision as part of right of use assets, the corresponding effect of the previous years have been adjusted in the retained earnings. The right-of-use asset is depreciated in the consolidated statement of profit or loss and other comprehensive income over the term of the lease within direct costs.

27. RESTATEMENT (CONTINUED)

ii. Application of IAS 29:

The Company has a subsidiary in Turkey and the functional currency of the subsidiary is Turkish Lira. As from 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). The Group applied for IAS 29 for the period ending 30 June 2022.

During the year, management reassessed the application of IAS 29 and noted the following:

IAS 21- The Effect of Changes in Foreign Exchange Rates- states that when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates). Further, International Accounting Standard IAS 29- Financial Reporting in Hyperinflationary Economies requires that the gain or loss on the net monetary position should be included in profit or loss.

Consistent with the above requirements, management reassessed the application of IAS 29 during the year and restated prior period financial statements as follow:

- Management has revisited and consequently updated the calculation for initial application of IAS 29 between the closing equity of the previous year and the opening equity of the current year. The Group has presented the resultant combined effect of restating in accordance with IAS 29 and translation according to IAS 21 as a net change in other comprehensive income (OCI)

- The impact of the change in the consumer price index from the beginning of the first reporting period to the end of the reporting period for non-monetary assets and liabilities has been reflected as net monetary gain arising from hyperinflation in the statement of profit or loss and other comprehensive income instead of being recorded in retained earnings.

- Furthermore, as a result of these changes, the Company had reflected the “Net (loss)/gain arising from hyperinflation” in the Statement of Profit or loss and other comprehensive income as part of the “Operating profit”.

iii. Reclassification of accrued interest to borrowings:

In the prior years accrued interest was included within ‘trade and other payables’. Management of the Group has reclassified these balances from ‘trade and other payables’ to ‘loans and borrowings in order to reflect the nature of these balances and also to realign the accounting for loans and borrowings with amortised cost accounting. The comparatives of these balances have been reclassified accordingly.

iv. Other changes due to adoption of IFRS 17:

The Company has restated its statement of profit or loss and other comprehensive income to align with the presentation requirements of IFRS 17. The new presentation includes a separate section within the income statement to reflect the insurance service results. A complete reconciliation of the balances is provided in the Note 5 to the financial statements.

27. RESTATEMENT (CONTINUED)

The effect of these restatements on the statement of financial position, Statement of profit or loss and other comprehensive income and statement of cashflows is summarised below:

Effect on the consolidated statement of financial position as at December 31, 2022:

	Previously reported	Restatement-1	Restatement-3	Restatement - 4	Restated
Right-of-use assets	27,731	21,840	-	-	49,571
Due from related parties	759,940	-	-	(88,721)	671,219
Trade and other receivables	799,656	-	-	(320,867)	478,789
Reinsurance contract assets		-	-	(422,832)	668,445
Retained earnings	1,350,550	21,840	-	57,894	1,430,284
Loans and borrowings	1,655,607	-	78,823	-	1,734,430
Trade and other payables	1,046,056	-	(78,823)	(295,093)	672,140
Due to related parties	27,812	-	-	(6,917)	20,895
Insurance contract liabilities	1,668,009	-	-	(588,304)	1,079,705

Effect on the consolidated statement of financial position as at I January, 2022:

	Previously reported	Restatement-1	Restatement-3	Restatement - 4	Restated
Right-of-use assets	36,292	29,372	-	-	65,664
Due from related parties	686,354	-	-	(8,839)	677,515
Trade and other receivables		-	-	(267,366)	427,628
Reinsurance contract assets	757,382	-	-	(79,482)	677,900
Retained earnings	998,204	29,372	-	61,551	1,089,127
Trade and other payables	831,273	-	(41,452)	(221,697)	568,124
Loans and borrowings	632,704	-	41,452	-	674,156
Due to related parties	44,507	-	-	(9,684)	34,823
Insurance contract liabilities	1,214,575	-	-	(185,857)	1,028,718

27. RESTATEMENT (CONTINUED)

Effect on the consolidated statement of profit or loss and other comprehensive income as at 30 June 2022:

	Previously reported	Restatement- 1	Restatement- 2	Restatement-4	Restated
Revenue	1,738,469	-	-	(688,682)	1,049,787
Direct costs	(1,415,365)	-	-	621,033	(794,332)
Gross profit from non-insurance operations	**323,104**	-	-	(67,649)	**255,455**
Insurance revenue	-	-	-	407,555	407,555
Insurance service expense	-	-	-	(310,202)	(310,202)
Net expense from reinsurance contracts held	-	-	-	(101,256)	(101,256)
Insurance service result	-	-	-	-	**(3,903)**
Gross profit and net insurance service results	**-**	-	-	-	**251,552**
Finance (expense)/income from insurance contracts issued	-	-	-	21,440	21,440
Finance income/(expense) from reinsurance contracts held	-	-	-	(12,140)	(12,140)
Net insurance finance income	-	-	-	-	**9,300**
Other income	25,245	-	-	(17,155)	8,090
General and administrative expenses	(98,605)	-	-	26,371	(72,234)
Changes in fair value of financial assets at FVTPL	(16,621)	-	-	16,621	-
Net monetary gain arising from hyperinflation	-	-	14,535	-	14,535
Net impairment gain on financial assets	(311)	-	-	4,073	3,762
Operating profit	**214,491**	-	**14,535**	**(32,342)**	**196,684**
Finance income	13,673	-	-	(1,176)	12,497
Finance costs	(69,739)	-	-	1,181	(68,558)
Finance costs – net	*(56,066)*	-	-	5	(56,061)
Net monetary gain arising from hyperinflation	7,692	-	(7,692)	-	-
Income tax expense	(3,008)	-	-	119	(2,889)
Loss for the period from discontinued operations	**(1,287)**	**(3,766)**	**-**	**-**	**(5,053)**
Exchange differences on translation of foreign operations	(7,265)	-	-	-	(7,265)
Other comprehensive income arising from hyperinflation	-	-	44,294	-	44,294

27. RESTATEMENT (CONTINUED)

Effect on the consolidated statement of cashflow as at 30 June 2022:

	Previously reported	Restatement - 1	Restatement - 2	Restatement - 3	Restatement - 4	IFRS 5 balances	Restated
Profit before tax including discontinued operations	167,733	(3,766)	6,843	-	(33,386)		137,424
Gain from sale of financial assets at FVTOCI	(11,722)	-		-	8,240	-	(3,482)
Provision for impairment of financial assets	311	-		-	(4,073)	-	(3,762)
Profit distribution from managed investment funds	(1,947)	-		-	1,947	-	-
Finance income	(13,673)	-		-	(448)	1,174	(12,947)
Finance costs	69,738	-		-	(4,999)	(1,181)	63,558
Net monetary gain arising from hyperinflation	(7,692)		(6,843)	-	-	-	(14,535)
Operating profit before working capital changes	**406,448**						**352,687**
Trade and insurance receivables, prepayments and due from related parties	(259,506)	-		-	161,287	43,133	(55,086)
- Changes in investment securities held for trading	-	-		-	(55,373)	-	(55,373)
- Insurance contract liabilities	-	-		-	(194,879)	-	(194,879)
- Reinsurance contract assets	-	-		-	221,385	-	221,385
Trade and insurance payables, accruals and due to related parties	210,006	-		(25,346)	(120,885)	(20,927)	42,848
Cash generated from operations	**312,224**						**270,562**
Cash generated from/(used in) operating activities – Discontinued operations	-	-		-	(6,861)	-	(6,861)
Net cash generated from operating activities	**304,048**						**257,521**
Acquisition of financial assets at FVTPL	(265,474)	-		-	243,571		(21,903)
Proceeds from sale and maturity of financial investments	251,146	-		-	(196,439)		54,707
Cash generated from investing activities – Discontinued operations	3,423	-		-	25,691		29,114
Net cash used in investing activities	**(212,727)**						**(168,900)**
Dividends paid	(701)	-		-	-		(701)
Finance costs paid	(68,251)	-		25,346	(20,698)		(63,603)
Cash used in financing activities – Discontinued operations	-	-		-	8,394		8,394
Net cash used in financing activities	**(116,239)**						**(94,803)**
Net decrease in cash and cash equivalents	**(24,918)**						**(22,970)**