

**GULF INTERNATIONAL SERVICES Q.P.S.C.**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**AS AT AND FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2021**

**GULF INTERNATIONAL SERVICES Q.P.S.C.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

---

<b>Contents</b>	<b>Page(s)</b>
Independent auditor's report on review of condensed consolidated interim financial statements	1
<b>Condensed consolidated interim financial statements</b>	
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6 - 22



KPMG  
25 C Ring Road  
PO Box 4473, Doha  
State of Qatar  
Telephone: +974 4457 6444  
Fax: +974 4442 5626  
Website: home.kpmg/qa

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To the Board of Directors of Gulf International Services Q.P.S.C.  
Doha, State of Qatar

### **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 2021, the 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 notes to the condensed consolidated interim financial statements (the "condensed consolidated interim financial statements"). Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standards on Review Engagements 2410 – "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements 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 statements as at and for the six- month period ended 30 June 2021 are not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*".

5 August 2021  
Doha  
State of Qatar

Gopal Balasubramaniam  
KPMG  
Qatar Auditors' Registry Number 251  
Licensed by QFMA: External  
Auditors' License No. 120153

## GULF INTERNATIONAL SERVICES Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

In thousands of Qatari Riyals

	Note	30 June 2021 (Reviewed)	31 December 2020 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	5,712,482	5,828,631
Right-of-use assets	7	41,724	45,352
Goodwill	8	303,559	303,559
Contract assets		-	14,959
Equity-accounted investees		14,853	14,593
Financial investments	9	400,766	369,496
<b>Total non-current assets</b>		<b>6,473,384</b>	<b>6,576,590</b>
<b>Current assets</b>			
Inventories		246,409	238,301
Contract assets		15,087	410
Due from related parties	19(b)	831,487	658,091
Financial investments	9	395,389	365,457
Trade and other receivables	10	919,146	620,926
Reinsurance contract assets		901,636	806,130
Short term investments		444,599	229,034
Cash and bank balances	11	273,252	461,538
<b>Total current assets</b>		<b>4,027,005</b>	<b>3,379,887</b>
<b>TOTAL ASSETS</b>		<b>10,500,389</b>	<b>9,956,477</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12	1,858,409	1,858,409
Legal reserve		371,389	371,389
General reserve		74,516	74,516
Foreign currency translation reserve		(33,763)	(25,712)
Fair value reserve		12,170	22,475
Retained earnings		950,524	951,292
<b>Equity attributable to owners of the Company</b>		<b>3,233,245</b>	<b>3,252,369</b>
Non-controlling interests		(75)	(52)
<b>Total equity</b>		<b>3,233,170</b>	<b>3,252,317</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	7	20,016	25,682
Loans and borrowings	14	3,692,146	3,702,262
Contract liabilities		-	306
Provision for decommissioning costs		41,598	41,598
Provision for employees' end of service benefits		98,171	91,388
<b>Total non-current liabilities</b>		<b>3,851,931</b>	<b>3,861,236</b>
<b>Current liabilities</b>			
Bank overdraft	11	14	14
Lease liabilities	7	30,738	28,238
Dividends payable	13	73,108	75,238
Loans and borrowings	14	774,886	743,127
Trade and other payables		1,026,772	713,432
Due to related parties	19(b)	55,443	45,264
Insurance contract liabilities		1,450,312	1,228,652
Contract liabilities		4,015	8,959
<b>Total current liabilities</b>		<b>3,415,288</b>	<b>2,842,924</b>
<b>Total liabilities</b>		<b>7,267,219</b>	<b>6,704,160</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,500,389</b>	<b>9,956,477</b>

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company and signed on its behalf by the following on 05 August 2021:

  
Khalid Bin Khalifa Al-Thani  
Chairman

  
Saad Rashid Al-Muhannadi  
Vice Chairman

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

**GULF INTERNATIONAL SERVICES Q.P.S.C.**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

	Note	Six-month period ended 30 June 2021 (Reviewed)	Six-month period ended 30 June 2020 (Reviewed)
Revenue	15	1,431,669	1,558,976
Direct costs	16	<u>(1,322,024)</u>	<u>(1,300,808)</u>
<b>Gross profit</b>		<b>109,645</b>	258,168
Other income	17	22,074	68,344
Other expenses		(2,557)	(7,447)
General and administrative expenses		(95,703)	(105,788)
Gain / (loss) on financial assets at fair value through profit and loss		15,775	(28,521)
(Provision) / reversal of provision for impairment of financial assets		<u>(1,011)</u>	<u>8,625</u>
<b>Operating profit</b>		<b>48,223</b>	193,381
Finance income		17,973	18,235
Finance costs		<u>(65,022)</u>	<u>(98,115)</u>
Net finance costs		<u>(47,049)</u>	<u>(79,880)</u>
Group's share of profit / (loss) in equity-accounted investees, net of tax		<u>260</u>	<u>(204)</u>
<b>Profit for the period before tax</b>		<b>1,434</b>	113,297
Income tax expense	18	<u>(2,226)</u>	<u>(59,331)</u>
<b>(Loss) / profit for the period</b>		<b>(792)</b>	53,966
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI) – change in fair value		(10,305)	(7,977)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign operations – foreign currency translation differences		<u>(8,050)</u>	<u>(15,414)</u>
<b>Other comprehensive loss for the period</b>		<b>(18,355)</b>	(23,391)
<b>Total comprehensive (loss) / income for the period</b>		<b>(19,147)</b>	30,575
<i>(Loss) / profit attributable to:</i>			
Owners of the Company		(768)	54,041
Non-controlling interests		<u>(24)</u>	<u>(75)</u>
		<b>(792)</b>	53,966
<i>Total comprehensive (loss) / income attributable to:</i>			
Owners of the Company		(19,124)	30,650
Non-controlling interests		<u>(23)</u>	<u>(75)</u>
		<b>(19,147)</b>	30,575
<b>(Loss) / Earnings per share</b>			
Basic and diluted (loss) / earnings per share (Qatari Riyals)	21	<b>(0.0004)</b>	0.0291



The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

In thousands of Qatari Riyals

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings			
Balance at 1 January 2020 (Audited)	1,858,409	366,295	74,516	(11,578)	(1,095)	1,294,376	3,580,923	-	3,580,923
Other adjustments	-	-	-	-	-	(9,640)	(9,640)	-	(9,640)
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	187	187
<i>Total comprehensive income:</i>									
Profit for the period	-	-	-	-	-	54,041	54,041	(75)	53,966
Other comprehensive loss	-	-	-	(15,414)	(7,977)	-	(23,391)	-	(23,391)
Total comprehensive income for the period	-	-	-	(15,414)	(7,977)	54,041	30,650	(75)	30,575
Fair value reserve transferred to retained earnings	-	-	-	-	7,913	(7,913)	-	-	-
<b>Balance at 30 June 2020 (Reviewed)</b>	<b>1,858,409</b>	<b>366,295</b>	<b>74,516</b>	<b>(26,992)</b>	<b>(1,159)</b>	<b>1,330,864</b>	<b>3,601,933</b>	<b>112</b>	<b>3,602,045</b>
Balance at 1 January 2021 (Audited)	1,858,409	371,389	74,516	(25,712)	22,475	951,292	3,252,369	(52)	3,252,317
<i>Total comprehensive loss:</i>									
Loss for the period	-	-	-	-	-	(768)	(768)	(24)	(792)
Other comprehensive loss	-	-	-	(8,051)	(10,305)	-	(18,356)	1	(18,355)
Total comprehensive loss for the period	-	-	-	(8,051)	(10,305)	(768)	(19,124)	(23)	(19,147)
<b>Balance at 30 June 2021 (Reviewed)</b>	<b>1,858,409</b>	<b>371,389</b>	<b>74,516</b>	<b>(33,763)</b>	<b>12,170</b>	<b>950,524</b>	<b>3,233,245</b>	<b>(75)</b>	<b>3,233,170</b>

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.



CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

In thousands of Qatari Riyals

	Six-month period ended 30 June 2021 (Reviewed)	Six-month period ended 30 June 2020 (Reviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit for the period	(792)	53,966
<i>Adjustments for:</i>		
Depreciation of property and equipment	179,957	208,158
Depreciation of right-of-use assets	11,105	11,662
Provision for employees' end of service benefits	13,828	9,683
Gain on sale of property and equipment	-	(35)
Write-off of property and equipment	2,773	200
Impairment loss on property and equipment	-	3,806
Net change in fair value of financial investments at FVTPL	(15,775)	28,994
Net (gain) / loss from sale of financial investments	(8,956)	1,621
Impairment of goodwill	-	7,328
Amortization of finance cost related to loans and borrowings	2,925	3,919
Provision for slow-moving and obsolete inventories	556	379
Provision / (reversal of provision) for impairment of financial assets	1,011	(8,625)
Profit distribution from managed investment funds	(1,977)	(1,911)
Share of profit / (loss) from equity-accounted investees	(260)	204
Finance income	(17,973)	(18,235)
Finance costs	65,022	98,115
Dividend income	(3,270)	(4,318)
<i>Operating profit before working capital changes</i>	<u>228,174</u>	<u>394,911</u>
<i>Changes in:</i>		
- Inventories	(8,664)	(18,642)
- Contract assets	282	1,034
- Trade and insurance receivables, prepayments and due from related parties	(568,133)	(355,115)
- Contract liabilities	(5,250)	(6,757)
- Trade and insurance payables, accruals and due to related parties	545,179	121,384
<b>Cash generated from operations</b>	<u>191,588</u>	<u>136,815</u>
Employees' end of service benefits paid	(7,045)	(12,633)
<b>Net cash generated from operating activities</b>	<u>184,543</u>	<u>124,182</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(79,041)	(62,839)
Acquisition of financial investments	(192,565)	(135,325)
Net movement in short-term investments	(215,565)	199,132
Finance income received	17,821	18,235
Proceeds from sale and maturity of financial investments	147,511	142,851
Proceeds from sale of property and equipment	-	35
Net movement in cash at banks – restricted for dividends	2,130	1,270
Profit distribution from managed investment funds	1,977	1,911
Dividends received	3,270	4,318
Investment in equity-accounted investee	-	(2)
<b>Net cash (used in) / generated from investing activities</b>	<u>(314,462)</u>	<u>169,586</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans and borrowings	224,351	417,144
Repayment of loans and borrowings	(205,633)	(415,369)
Dividends paid	(2,130)	(1,270)
Finance costs paid	(63,715)	(96,130)
Cash received on acquisition of subsidiary	-	1,395
Payment of lease liabilities	(11,951)	(12,190)
<b>Net cash used in financing activities</b>	<u>(59,078)</u>	<u>(106,420)</u>
<b>Net change in cash and cash equivalents</b>	(188,997)	187,348
Effect of movements in exchange rates on cash held	2,852	(3,841)
Cash and cash equivalents at 1 January	386,287	438,601
<b>Cash and cash equivalents at 30 June</b>	<u>200,142</u>	<u>622,108</u>

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

## GULF INTERNATIONAL SERVICES Q.P.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

#### 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 new 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 (together referred to as the 'Group'). The Group is primarily involved in provision of drilling, aviation, insurance and reinsurance and catering services (refer Note 22).

The Company was initially incorporated by Qatar Petroleum ("QP") 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, QP listed 70% of the Company's issued share capital on 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, QP divested 20% of its stake in the Company to GRSIA. However, QP is the ultimate parent of the Company as it holds special share and thus controls the Company.

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

Name of the Company	Relationship	Country of incorporation	Percentage of holding	
			30 June 2021	31 December 2020
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 above subsidiaries on a line by line basis and also include the share of profit / loss and other comprehensive income from joint ventures accounted for using equity method:

Name of the Company	Relationship	Country of incorporation	Beneficial ownership interest	
			30 June 2021	31 December 2020
Gulf Drill 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 & Leasing Company	Indirect subsidiary	Morocco	100%	100%

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.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**
**2. BASIS OF ACCOUNTING**

These condensed consolidated interim financial statements for the six-month period ended 30 June 2021 have been prepared in accordance with International Accounting Standard ('IAS') 34, "Interim Financial Reporting", and should be read in conjunction with the Group's last annual financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. 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 last annual financial statements.

These condensed consolidated interim financial statements are prepared in Qatari Riyals, except where otherwise indicated.

**3. USE OF JUDGEMENT AND ESTIMATES**

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the last annual financial statements.

**4. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**
**4.1 New standards, amendments and interpretations effective from 1 January 2021**

During the current period, the Group adopted the below amendments to International Financial Reporting Standards ("IFRS") that are effective for annual periods beginning on 1 January 2021:

Effective for year beginning 1 June 2020	<i>COVID-19- Related Rent Concessions – Amendments to IFRS 16</i>
Effective for year beginning 1 January 2021	<i>Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</i>

The adoption of these amendments have had no significant impact on these condensed consolidated interim financial statements.

**4.2 New standards, amendments and interpretations not yet effective, but available for early adoption**

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning after 1 January 2022 and they have not been applied in preparing these condensed consolidated interim financial statements:

Effective for year beginning 1 January 2022	<ul style="list-style-type: none"> <li>• <i>Onerous contracts: Cost of Fulfilling a Contract – Amendments to IAS 37</i></li> <li>• <i>Annual Improvement to IFRS Standards 2018-2020 – Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41</i></li> <li>• <i>Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16</i></li> <li>• <i>Reference to Conceptual Framework – Amendments to IFRS 3</i></li> </ul>
Effective for year beginning 1 January 2023	<ul style="list-style-type: none"> <li>• <i>Classification of Liabilities as Current or Non-Current–Amendments to IAS 1</i></li> <li>• <i>IFRS 17 Insurance Contracts</i></li> <li>• <i>Definition of Accounting Estimate – Amendments to IAS 8</i></li> <li>• <i>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2</i></li> </ul>
Effective date deferred indefinitely / available for optional adoption	<ul style="list-style-type: none"> <li>• <i>Sale or Contribution of Assets between and Investor and Its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i></li> </ul>

Management does not expect that the adoption of the above new and amended standards, except IFRS 17 'Insurance Contracts', will have a significant impact on the Group's condensed consolidated interim financial statements. Management is currently in the process of evaluating the impact of adoption of IFRS 17 'Insurance Contracts' on its condensed consolidated interim financial statements. The Group will adopt these new standards on the respective effective dates.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**5. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's financial statements as at and for the year ended 31 December 2020.

**6. PROPERTY AND EQUIPMENT**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
<b>Cost:</b>		
Balance at 1 January	10,564,878	10,442,400
Additions during the period / year	79,041	149,226
Acquisition of a subsidiary during the period / year	-	3,684
Disposals during the period / year	-	(409)
Write-offs during the period / year	(2,942)	(5,409)
Transfer to other assets during the period / year	-	(6,455)
Effect of movements in exchange rates during the period / year	(15,455)	(18,159)
Balance at 30 June / 31 December	<u>10,625,522</u>	<u>10,564,878</u>
<b>Accumulated depreciation:</b>		
Balance at 1 January	4,736,247	4,021,276
Depreciation charge for the period / year	179,957	412,237
Acquisition of a subsidiary for the period / year	-	2,538
Impairment loss recognised during the period / year	-	308,262
Disposals during the period / year	-	(409)
Write-offs during the period / year	(169)	(5,409)
Effect of movements in exchange rates during the period / year	(2,995)	(2,248)
Balance at 30 June / 31 December	<u>4,913,040</u>	<u>4,736,247</u>
<b>Net carrying value</b>	<u><b>5,712,482</b></u>	<u><b>5,828,631</b></u>

**7. RIGHT OF USE ASSETS AND LEASE LIABILITIES**

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Balance at 1 January	45,352	68,659
Addition during the period / year	7,477	-
Depreciation charge for the period / year	(11,105)	(23,307)
	<u><b>41,724</b></u>	<u><b>45,352</b></u>

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Balance at 1 January	53,920	72,934
Additions during the period / year	7,477	-
Finance costs for the period / year	1,308	3,736
Payments made during the period / year	(11,951)	(22,750)
	<u><b>50,754</b></u>	<u><b>53,920</b></u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

In thousands of Qatari Riyals

## 7. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Non-current liabilities	20,016	25,682
Current liabilities	30,738	28,238
	<u><b>50,754</b></u>	<u>53,920</u>

## 8. GOODWILL

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Goodwill	<u><b>303,559</b></u>	<u>303,559</u>

On 31 May 2012, the Group acquired 100% shares of Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj"), a company incorporated in the State of Qatar, resulting in a goodwill of QR 303,559.

Goodwill related to the acquisition has been allocated to Amwaj operations as one CGU. Management of the Group performs an impairment assessment of this goodwill on each reporting date. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board of Directors covering a five-year period. 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.

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

<b>Description:</b>	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Projection period	<b>5 years</b>	5 years
Terminal growth rate	<b>3%</b>	3%
Discount rate – pre-tax	<b>7.2%</b>	7.2%
Profit margins	<b>2% to 3.4%</b>	2% to 3.4%
Average revenue growth rate (over the projection period)	<b>4%</b>	4%

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**9. FINANCIAL INVESTMENTS**

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
<b><i>Investments measured at fair value through profit or loss (FVTPL)</i></b>		
- Quoted debt securities held with banks (i)	140,261	121,171
- Quoted equity securities held with banks (i)	131,040	131,040
- Quoted shares in Qatari public shareholding companies	136,859	135,886
	<b>408,160</b>	<b>388,097</b>
<b><i>Investments measured at fair value through other comprehensive income (FVOCI)</i></b>		
- Quoted shares in Qatari public shareholding companies	27,306	-
- Quoted debt securities	305,086	291,252
- Quoted managed investment funds	55,601	55,601
- Unquoted shares	2	3
	<b>387,995</b>	<b>346,856</b>
	<b>796,155</b>	<b>734,953</b>

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Non-current assets	400,766	369,496
Current assets	395,389	365,457
	<b>796,155</b>	<b>734,953</b>

- (i) These represent financial assets held with banks. These are acquired and incurred principally for the purpose of selling or repurchasing it 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 1.625% to 10.5% (2020: 1.625% to 10.5%).
- (iii) Financial investments 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.

**10. TRADE AND OTHER RECEIVABLES**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Trade and insurance receivables	691,016	514,935
Accrued income	25,516	48,217
Advances	26,686	49,253
Prepayments	71,136	10,912
Deposits	2,003	2,325
Other receivables	148,393	40,825
	<b>964,750</b>	<b>666,467</b>
Less: provision for impairment of trade and other receivables (Note 10.1)	<b>(45,604)</b>	<b>(45,541)</b>
	<b>919,146</b>	<b>620,926</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**10. TRADE AND OTHER RECEIVABLES (CONTINUED)**

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Balance at 1 January	45,541	37,381
Provision made during the period / year	1,004	17,191
Provision used during the period / year	(941)	(9,031)
	<b><u>45,604</u></b>	<b><u>45,541</u></b>

**11. CASH AND BANK BALANCES**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Cash in hand	951	764
Cash at bank		
- Current accounts and call deposits	250,694	356,513
- Fixed and term deposits (1) & (2)	21,619	104,262
	<b><u>273,264</u></b>	<b><u>461,539</u></b>
ECL of bank balances	(12)	(1)
Cash and bank balances as per condensed consolidated interim statement of financial position	<b><u>273,252</u></b>	<b><u>461,538</u></b>
Less: Cash at banks – restricted for dividend (Note 13)	(73,108)	(75,238)
Less: Bank overdraft (3)	(14)	(14)
Add: ECL of bank balances	12	1
	<b><u>(73,110)</u></b>	<b><u>(75,251)</u></b>
<b>Cash and cash equivalents as per condensed consolidated interim statement of cash flows</b>	<b><u>200,142</u></b>	<b><u>386,287</u></b>

- (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 2021, these fixed deposits are held with local commercial banks with original maturity of up to three months earning interest at 0.55% to 1% per annum (2020: 0.65% to 1% per annum).
- (3) The Group's bank overdraft has a credit limit of Euro 350,000 and bears interest at EURIBOR plus 2.75% per annum (2020: EURIBOR plus 2.75%).

**12. SHARE CAPITAL**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Issued and paid up capital	<b><u>1,858,409</u></b>	<b><u>1,858,409</u></b>

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 (2020: 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 (2020: 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 Qatar Petroleum and may not be cancelled or redeemed without the consent of the QP. Special share may be transferred only to the Government, any Government Corporation or any QP affiliate. QP exercises the control over the Company by virtue of holding the Special Share. All ordinary shares carry equal rights.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**13. DIVIDENDS PAYABLE**

The Board of Directors has proposed no cash dividend for the year ended 31 December 2020.

Below is the movement in dividends payable balance during the period / year:

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Balance at 1 January	75,238	78,488
Dividends paid during the period / year	<u>(2,130)</u>	<u>(3,250)</u>
Balance at 30 June / 31 December	<b><u>73,108</u></b>	<b><u>75,238</u></b>

**14. LOANS AND BORROWINGS**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Loans related to drilling segment (i)	4,370,948	4,310,020
Loan related to aviation segment (ii)	44,417	46,386
Other borrowings (iii)	<u>59,627</u>	<u>99,840</u>
	4,474,992	4,456,246
Less: Unamortised finance costs associated with raising finance	<u>(7,960)</u>	<u>(10,857)</u>
	<b><u>4,467,032</u></b>	<b><u>4,445,389</u></b>

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

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Non-current portion	3,692,146	3,702,262
Current portion	<u>774,886</u>	<u>743,127</u>
	<b><u>4,467,032</u></b>	<b><u>4,445,389</u></b>

- (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% (2020: LIBOR plus 1.35% - 2.70%). Most of these loans are to be repaid in quarterly installments. The loans obtained by GDI are unsecured.

Loan balances of GDI also consist of a Master Murabaha facility agreement of US\$ 925 million with a local Islamic Bank. The proceeds of the facility were utilized on general corporate purposes and the settlement or refinancing of various outstanding loan facilities. The loan is unsecured and has an effective interest of LIBOR plus 2.70%, and repayable in lump sum upon maturity on 31 December 2023. GDI has drawn down US\$ 684.1 million from this facility as of 30 June 2021 (2020: US\$ 669.5 million).

Further, in April 2021, GDI obtained a Murabaha facility of US\$ 45 million from an Islamic Bank to finance the general working capital requirements of the Company. The facility carries interest at Qatar Central Banks Money Market Lending rate plus 0.6% subject to a minimum of 3% per annum and is secured by way of assignment over the revenue proceeds from two rigs. The facility is repayable upon its maturity i.e. in one year from the date of drawdown. GDI has drawn down US\$ 43 million from this facility as of 30 June 2021.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

In thousands of Qatari Riyals

## 14. LOANS AND BORROWINGS (CONTINUED)

- (ii) The borrowings are related to the Company's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC have entered into various borrowing arrangements with different banks. All facilities bears interest rates varying between 3 months LIBOR plus 1.35% - 2.75% (2020: LIBOR plus 1.35% - 2.75%). The loans are to be repaid in quarterly installments. The loans obtained by GHC are unsecured.
- (iii) On 20 April 2014, the Company obtained syndicated Murabaha facility of US\$ 80 million from a local Islamic Bank to finance the acquisition of the additional 30% shares of GDI. The effective profit rate is 6 months LIBOR plus 1.45% (2020: LIBOR plus 1.45%). The loan is repayable in 15 semi-annual instalments commencing from April 2015 and is unsecured.

Further, the Company obtained a loan of US\$ 80 million from a local commercial bank to further finance the acquisition of the additional 30% of GDI. The effective interest rate is 6 months LIBOR plus 1.45% (2020: 6 months LIBOR plus 1.45%). The loan is repayable in 14 semi-annual instalments starting from April 2015 and is unsecured.

## 15. 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 2021 (Reviewed)	Six-month period ended 30 June 2020 (Reviewed)
Revenue from contracts with customers (1)	950,789	1,088,940
Revenue from insurance contracts (2)	480,880	470,036
	<u>1,431,669</u>	<u>1,558,976</u>

## 1. Revenue from contracts with customers

## B. Disaggregation of 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.

Major products / service lines	Six-month period ended 30 June 2021 (Reviewed)	Six-month period ended 30 June 2020 (Reviewed)
Revenue from drilling and ancillary services		
- Drilling and ancillary services	440,445	521,827
Revenue from aviation services		
- Aviation revenues	293,124	305,678
- Maintenance and repair operation revenue	29,486	33,642
- Training revenue	15,353	784
	337,963	340,104
Revenue from catering and related services		
- Catering services	67,641	108,785
- Manpower services	75,956	81,987
- Accommodation and housekeeping services	18,582	21,597
- Function and events revenue	839	3,311
- Other revenues	9,363	11,329
	172,381	227,009
	<u>950,789</u>	<u>1,088,940</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**15. REVENUE (CONTINUED)****1. Revenue from contracts with customers (continued)****B. Disaggregation of revenue from contracts with customers (continued)****Timing of revenue recognition**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Products and services transferred at a point in time	95,494	106,456
Products and services transferred over time	855,295	982,484
Revenue from contracts with customers	<u><b>950,789</b></u>	<u>1,088,940</u>

**2. Revenue from insurance contracts**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Gross insurance revenue	<u><b>480,880</b></u>	<u>470,036</u>

The details of gross insurance revenue are as follows:

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Gross premium	697,437	761,861
Movement in unearned premium, gross	(219,819)	(291,755)
Net commission income	3,262	(70)
	<u><b>480,880</b></u>	<u>470,036</u>

**16. DIRECT COSTS**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Gross insurance expenses (Note 16.1)	452,330	412,652
Direct costs of aviation services	206,753	223,443
Direct costs of catering and related services	195,213	230,633
Direct costs of drilling and ancillary services	467,728	434,080
	<u><b>1,322,024</b></u>	<u>1,300,808</u>

**16.1 Group insurance expenses**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Reinsurance cession	402,255	412,151
Movement in unearned premium, reinsurance	(119,933)	(140,811)
Net claims incurred	162,834	134,029
Brokerage costs	7,174	7,283
	<u><b>452,330</b></u>	<u>412,652</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**17. OTHER INCOME**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Income tax benefit recognised pursuant to an MOU (1)	2,226	59,331
Gain from sale of financial investments	8,956	-
Miscellaneous income	10,892	9,013
	<b><u>22,074</u></b>	<b><u>68,344</u></b>

- (1) This represents the tax benefit that the Group has received during the year as a result of settlement of income tax of the Group's subsidiaries through a defined arrangement between Qatar Petroleum, Ministry of Finance and General Tax Authority as per the Memorandum of Understanding dated 4 February 2020, signed between the above mentioned parties (Note 18).

**18. 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 Qatar Petroleum (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% (effective tax rate – 1.425% as at 31 December 2020). Accordingly, income tax applicable to the subsidiaries for the six-month period ended 30 June 2021 amounted to QR 1.90 million and under provision in respect of prior year amounts to QR 0.33 million. The Group has recorded the total tax amount of QR 2.23 million as tax expense for the six-month period ended 30 June 2021.

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 2.23 million and is included under other income in profit or loss (Note 17).

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.

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
<b>Current tax expense:</b>		
Current period charge	1,898	38,304
Relating to prior year, net	328	21,027
	<b><u>2,226</u></b>	<b><u>59,331</u></b>

**19. RELATED PARTIES DISCLOSURES**

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 Parties".

**a) Transactions with related parties**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Revenue – Parent, associate and affiliated entities	<b><u>895,843</u></b>	<b><u>991,907</u></b>
Direct and other operating expenses – Parent, associate and affiliated entities	<b><u>87,713</u></b>	<b><u>74,138</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**19. RELATED PARTIES DISCLOSURES (CONTINUED)****b) Related party balances**

Name of entity	Relationship	Due from		Due to	
		30 June 2021 (Reviewed)	31 December 2020 (Audited)	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Qatar Petroleum	Parent	308,102	181,336	49,726	33,944
Qatargas Operating Company Limited	Affiliate	143,971	92,756	-	-
Gulf Drill L.L.C. (1)	Affiliate	349,482	322,049	-	-
Qatar Fuel Company (WOQOD) Q.P.S.C.	Affiliate	8,919	5,547	4,617	6,291
Seef Limited	Affiliate	-	255	-	-
Oryx GTL Limited	Affiliate	-	11,863	-	-
Qatar Fertilizer Company (QAFCO) Q.P.S.C.	Affiliate	-	21,232	-	-
Ras Laffan Olefins Limited	Affiliate	-	163	-	-
Gasal Q.S.C.	Affiliate	-	108	-	-
Others*	Affiliates	24,884	28,102	1,100	5,029
		<u>835,358</u>	<u>663,411</u>	<u>55,443</u>	<u>45,264</u>
Less: Provision for impairment		<u>(3,871)</u>	<u>(5,320)</u>	<u>-</u>	<u>-</u>
		<b><u>831,487</u></b>	<b><u>658,091</u></b>	<b><u>55,443</u></b>	<b><u>45,264</u></b>

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

(1) The Group charges the interest of 5.75% per annum on the balance due from Gulf Drill L.L.C.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**19. RELATED PARTIES DISCLOSURE (CONTINUED)****c) Remuneration of key management personnel**

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Board of Directors' allowances (1)	<u>2,650</u>	<u>1,270</u>
Other key management personnel	<u>12,356</u>	<u>16,295</u>

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

**20. CONTINGENCIES AND COMMITMENTS**

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
<i>Contingent liabilities:</i>		
Guarantees against performance bonds	<u>418,142</u>	<u>385,764</u>
Claim under dispute	<u>-</u>	<u>7,797</u>
Group's share in contingencies of joint ventures	<u>6,837</u>	<u>-</u>

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.

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
<i>Commitments:</i>		
Capital commitments	<u>225,598</u>	<u>222,255</u>

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

**21. 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 (loss) / earnings per share are the same as there were no dilutive effects on earnings.

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
(Loss) / profit attributable to owners of the Company (QR '000)	<u>(768)</u>	<u>54,041</u>
Weighted average number of ordinary shares (in shares) (Note 12)	<u>1,858,408,690</u>	<u>1,858,408,690</u>
Basic and diluted (loss) / earnings per share (expressed in QR per share)	<u>(0.0004)</u>	<u>0.0291</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**22. 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:

<b>Reportable segments</b>	<b>Operations</b>
Insurance	Provides insurance and reinsurance services
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.
Drilling	Provides drilling and ancillary services.

<b>For the six-month period ended and as at 30 June 2021 (Reviewed)</b>	<b>Insurance</b>	<b>Aviation</b>	<b>Catering</b>	<b>Drilling</b>	<b>Total</b>
Segment revenue	481,708	337,963	195,444	440,445	<b>1,455,560</b>
Inter-segment revenue	(829)	-	(23,062)	-	<b>(23,891)</b>
<b>External revenues</b>	<b>480,879</b>	<b>337,963</b>	<b>172,382</b>	<b>440,445</b>	<b>1,431,669</b>
<b>Segment profit / (loss) before tax</b>	<b>32,563</b>	<b>111,332</b>	<b>(9,449)</b>	<b>(132,395)</b>	<b>2,051</b>
<b>Segment assets</b>	<b>2,564,567</b>	<b>1,484,471</b>	<b>361,943</b>	<b>5,522,214</b>	<b>9,933,195</b>
<b>Segment liabilities</b>	<b>1,893,330</b>	<b>246,341</b>	<b>260,625</b>	<b>4,856,937</b>	<b>7,257,233</b>
<b>For the six-month period ended and as at 30 June 2020 (Reviewed)</b>	<b>Insurance</b>	<b>Aviation</b>	<b>Catering</b>	<b>Drilling</b>	<b>Total</b>
Segment revenue	471,261	340,104	245,145	521,827	1,578,337
Inter-segment revenue	(1,225)	-	(18,136)	-	(19,361)
<b>External revenues</b>	<b>470,036</b>	<b>340,104</b>	<b>227,009</b>	<b>521,827</b>	<b>1,558,976</b>
<b>Segment profit / (loss) before tax</b>	<b>12,481</b>	<b>362,268</b>	<b>4,688</b>	<b>(43,983)</b>	<b>335,454</b>
<b>Segment assets</b>	<b>2,571,707</b>	<b>1,478,246</b>	<b>355,982</b>	<b>5,861,670</b>	<b>10,267,605</b>
<b>Segment liabilities</b>	<b>1,949,279</b>	<b>299,819</b>	<b>230,018</b>	<b>4,660,694</b>	<b>7,139,810</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

In thousands of Qatari Riyals

## 22. OPERATING SEGMENTS (CONTINUED)

## 22.1 Reconciliation of reportable segments profit or loss

	<b>Six-month period ended 30 June 2021 (Reviewed)</b>	Six-month period ended 30 June 2020 (Reviewed)
Total profit for reportable segments before tax	2,051	335,454
Other unallocated profit or loss (Profit or loss of parent company)	123,505	471,702
Elimination of dividends from subsidiaries to parent company	(119,874)	(420,508)
Elimination of gain on transfer of land and building to parent company	-	(267,670)
Other consolidation adjustments	(4,248)	(5,681)
Consolidated profit for the period before tax	<u>1,434</u>	<u>113,297</u>

## 22.2 Reconciliation of reportable segments total assets

	<b>30 June 2021 (Reviewed)</b>	31 December 2020 (Audited)
Total assets for reportable segments	9,933,195	9,436,337
Other un-allocable assets	3,143,625	3,067,687
Elimination of investments in subsidiaries	(2,574,398)	(2,574,398)
Assets relating to purchase price allocation	98,399	105,983
Asset relating to goodwill	303,559	303,559
Elimination of inter-segments assets	(403,991)	(115,020)
Elimination of fair value gain on assets transferred within the Group	-	(267,671)
Consolidated total assets	<u>10,500,389</u>	<u>9,956,477</u>

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 2020.

## 23. FINANCIAL INSTRUMENTS - FAIR VALUE

The fair value of financial investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities at the close of business at the end of the reporting period.

For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same and/or discounted cash flow analysis. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

If the fair values cannot be measured reliably, these financial instruments are measured at cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying value of the financial assets and liabilities approximates their fair values. The estimated fair values of the Group's major financial instruments are provided in the tables below:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

In thousands of Qatari Riyals

## 23. FINANCIAL INSTRUMENTS - FAIR VALUE (CONTINUED)

30 June 2021 (Reviewed)	FVTPL	FVTOCI	Amortized cost	Total carrying value	Fair Value
<b>Assets</b>					
Cash and bank balances	-	-	273,252	273,252	273,252
Short term investments	-	-	444,599	444,599	444,599
Trade and other receivables	-	-	736,620	736,620	736,620
Reinsurance contract assets	-	-	901,636	901,636	901,636
Due from related parties	-	-	831,487	831,487	831,487
Financial investments	408,160	387,995	-	796,155	796,155
	<b>408,160</b>	<b>387,995</b>	<b>3,187,594</b>	<b>3,983,749</b>	<b>3,983,749</b>
<b>Liabilities</b>					
Loans and borrowings	-	-	4,467,032	4,467,032	4,467,032
Due to related parties	-	-	55,443	55,443	55,443
Trade payables, accruals and other liabilities	-	-	666,618	666,618	666,618
Insurance contract liabilities	-	-	962,805	962,805	962,805
Reinsurance premium payable	-	-	360,154	360,154	360,154
Dividend payable	-	-	73,108	73,108	73,108
Bank overdraft	-	-	14	14	14
	-	-	<b>6,585,174</b>	<b>6,585,174</b>	<b>6,585,174</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

In thousands of Qatari Riyals

**23. FINANCIAL INSTRUMENTS - FAIR VALUE (CONTINUED)**

31 December 2020 (Audited)	FVTPL	FVOCI	Amortized cost	Total carrying value	Fair value
<b>Assets</b>					
Cash and bank balances	-	-	461,538	461,538	461,538
Short-term investments	-	-	229,034	229,034	229,034
Trade and other receivables	-	-	560,761	560,761	560,761
Reinsurance contract assets	-	-	651,922	651,922	651,922
Due from related parties	-	-	658,091	658,091	658,091
Financial investments	388,097	346,856	-	734,953	734,953
	<u>388,097</u>	<u>346,856</u>	<u>2,561,346</u>	<u>3,296,299</u>	<u>3,296,299</u>
<b>Liabilities</b>					
Loans and borrowings	-	-	4,445,389	4,445,389	4,445,389
Due to related parties	-	-	45,264	45,264	45,264
Trade payables, accruals and other liabilities	-	-	527,081	527,081	527,081
Insurance contract liabilities	-	-	960,964	960,964	960,964
Reinsurance premium payable	-	-	163,925	163,925	163,925
Dividend payable	-	-	75,238	75,238	75,238
Bank overdraft	-	-	14	14	14
	<u>-</u>	<u>-</u>	<u>6,217,875</u>	<u>6,217,875</u>	<u>6,217,875</u>

**24. IMPACT OF COVID-19**

The COVID-19 pandemic caused slowdown in economic activities since March 2020. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in the State of Qatar.

Although the Group has taken adequate measures to ensure business continuity during the pandemic period, business operations were impacted due to the circumstances arising from COVID-19 including the compression of demand for Group's services and deceleration of the economic activities, resulting in lower revenues and decrease in profits. The management has considered the potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets, however, remain volatile and the recorded amounts remain sensitive to market fluctuations.

Based on all the assessments and after considering all the adjustments, when necessary, the management of the Group is of the view that there is no material impact of COVID-19 on the carrying amounts of assets and liabilities as at 30 June 2021. Going forward, the management is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption caused by COVID-19 outbreak on its operations and financial performance.

**25. COMPARATIVE FIGURES**

The comparative figures for the previous period have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.