Gulf International Services Q.P.S.C.

Condensed consolidated interim unaudited financial statements for the nine months period ended 30 September 2023

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CONDENSED CONSOLIDATED INTERIM UNAUDITED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023 Unaudited QR.'000	31 December 2022 Audited (Restated) QR.'000
ASSETS			
Non-current assets			
Property and equipment	5	5,508,193	5,560,956
Goodwill		-	303,559
Right-of-use assets		1,353	49,571
Contract assets		13,104	13,104
Equity-accounted investees	6	48,151	28,088
Financial assets at FVTOCI		304,378	306,592
Total non-current assets		5,875,179	6,261,870
Current assets			
Inventories		454,292	393,170
Due from related parties		540,722	671,219
Financial assets at FVTPL		442,882	438,185
Trade and other receivables		427,522	478,789
Reinsurance contract assets		673,925	668,446
Short-term investments		525,520	746,126
Cash and bank balances		693,776	396,447
Assets classified as held for sale		620,570	-
Total current assets		4,379,209	3,792,382
TOTAL ASSETS		10,254,388	10,054,252

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

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

CONDENSED CONSOLIDATED INTERIM UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	30 September 2023 Unaudited QR.'000	31 December 2022 Audited (Restated) QR.'000
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		(126,330)	(71,371)
Fair value reserve		(28,057)	(27,646)
Retained earnings		1,672,651	1,430,284
Equity attributable to shareholders of the Company		3,835,529	3,648,532
Non-controlling interests		(364)	(312)
Total equity		3,835,165	3,648,220
LIABILITIES			
Non-current liabilities			
Lease liabilities		-	7,432
Loans and borrowings		3,387,857	2,633,625
Contract liabilities		2,730	2,730
Provision for decommissioning costs		-	45,899
Provision for employees' end of service Benefits		79,172	112,028
Total non-current liabilities		3,469,759	2,801,714
Current liabilities			
Lease liabilities		1,639	33,939
Dividends payable		47,709	48,619
Loans and borrowings		981,519	1,734,430
Trade and other payables		476,792	672,140
Due to related parties		23,130	20,895
Insurance contract liabilities		1,172,772	1,079,705
Contract liabilities		7,804	14,590
Liabilities associated with assets held for sale		238,099	-
Total current liabilities		2,949,464	3,604,318
Total liabilities		6,419,223	6,406,032
Total equity and liabilities		10,254,388	10,054,252

These condensed consolidated interim unaudited financial statements were approved by the Board of Directors of the Company and signed on its behalf by the following on 29 October 2023.

Khalid Bin Khalifa Al-Thani
Chairman

Saad Rashid Al-Muhannadi
Vice Chairman

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

CONDENSED CONSOLIDATED INTERIM UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the nine-months period ended 30 September 2023 Unaudited QR.'000	2022 Unaudited (Restated) QR.'000
Revenue		1,776,479	1,604,193
Direct costs		(1,279,056)	(1,204,476)
Gross profit from non-insurance operations		497,423	399,717
Insurance revenue		855,054	625,323
Insurance service expense		(535,505)	(426,223)
Net expense from reinsurance contracts held		(251,818)	(163,315)
Insurance service result		67,731	35,785
Gross profit and net insurance service results		565,154	435,502
Finance (expense)/income from insurance contracts issued		(18,243)	29,013
Finance income/(expense) from reinsurance contracts held		28,964	(12,908)
Net insurance finance income		10,721	16,105
Other income	8	30,567	18,449
Other expenses		(20,995)	(22,495)
General and administrative expenses		(123,253)	(107,372)
Changes in fair value of financial assets at FVTPL		3,535	-
Net monetary gain arising from hyperinflation		37,329	14,535
Operating profit		503,058	354,724
Finance income		50,698	21,871
Finance costs		(162,846)	(121,245)
Finance costs – net		(112,148)	(99,374)
Share of net profits of joint ventures accounted for using the equity method		23,599	12,810
Profit before income tax		414,509	268,160
Income tax expense		(1,945)	(1,791)
Profit for the period from continuing operation		412,564	266,369
Profit from discontinued operation	7	2,041	508
Profit for the period		414,605	266,877

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

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

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

	Note	For the nine-months period ended 30 September 2023 Unaudited QR.'000	2022 Unaudited (Restated) QR.'000
Other comprehensive loss:			
Items that may be reclassified to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income		**(411)**	(36,932)
Exchange differences on translation of foreign operations		**(54,959)**	(13,729)
Other comprehensive (loss) for the period		**(55,370)**	(50,661)
Total comprehensive income for the period		**359,235**	216,216
Profit attributable to:			
Shareholders of the Company		**414,657**	266,954
Non-controlling interests		**(52)**	(77)
		414,605	266,877
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**359,287**	216,293
Non-controlling interests		**(52)**	(77)
		359,235	216,216
Total comprehensive income for the period attributable to the shareholders of the company arises from:			
Continuing operations		**357,246**	215,785
Discontinued operations		**2,041**	508
		359,287	216,293
Earnings per share			
Basic and diluted earnings per share (Qatari Riyals)	9	**0.2231**	0.1436

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

CONDENSED CONSOLIDATED INTERIM UNAUDITED STATEMENT OF CHANGES IN EQUITY (QR.'000)

	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	-	-	-	-	-	61,551	61,551	-	61,551
Restatement	-	-	-	-	-	29,372	29,372	-	29,372
Balance at 1 January 2022 as Audited (restated)	1,858,409	377,308	74,516	(55,836)	3,786	1,089,127	3,347,310	(198)	3,347,112
Total comprehensive income:									
Profit for the period	-	-	-	-	-	266,954	266,954	(77)	266,877
Other comprehensive (loss)/income	-	-	-	(13,727)	(36,932)	-	(50,659)	-	(50,659)
Total comprehensive income for the period	-	-	-	(13,727)	(36,932)	266,954	216,295	(77)	216,218
Balance at 30 September 2022 As Unaudited (restated)	1,858,409	377,308	74,516	(69,563)	(33,146)	1,356,081	3,563,605	(275)	3,563,330
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	**-**	**-**	**-**	**-**	**-**	**57,894**	**57,894**	**-**	**57,894**
Restatement	**-**	**-**	**-**	**-**	**-**	**21,840**	**21,840**	**-**	**21,840**
Balance at 31 December 2022 As Audited (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						**13,551**	**13,551**		**13,551**
Total comprehensive income:									
Profit for the period	**-**	**-**	**-**	**-**	**-**	**414,657**	**414,657**	**(52)**	**414,605**
Other comprehensive loss	**-**	**-**	**-**	**(54,959)**	**(411)**	**-**	**(55,370)**	**-**	**(55,370)**
Total comprehensive income for the period	**-**	**-**	**-**	**(54,959)**	**(411)**	**414,657**	**359,287**	**(52)**	**359,235**
Transactions with shareholders of the parent:									
Dividends	**-**	**-**	**-**	**-**	**-**	**(185,841)**	**(185,841)**	**-**	**(185,841)**
Balance at 30 September 2023 (Unaudited)	**1,858,409**	**384,340**	**74,516**	**(126,330)**	**(28,057)**	**1,672,651**	**3,835,529**	**(364)**	**3,835,165**

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

CONDENSED CONSOLIDATED INTERIM UNAUDITED STATEMENT OF CASH FLOWS

	Note	For the nine-months period ended 30 September	
		2023	2022
		Unaudited	Unaudited (As restated)
		QR.'000	QR.'000
Cash flows from operating activities			
Profit for the period – Continuing operations		**412,564**	266,369
Profit for the period – Discontinued operations		**2,041**	508
Profit before income tax including discontinued operations		**414,605**	266,877
Adjustments for:			
Depreciation of property and equipment		**259,241**	251,921
Depreciation of right-of-use assets		**4,329**	2,616
Provision for employees' end of service benefits		**11,796**	11,989
(Gain) / loss on disposal of property and equipment		**(1,495)**	(2,040)
Changes in fair value of financial assets at FVTPL		**(3,535)**	18,239
Gain from sale of financial assets		**(1,696)**	(12,326)
Gain from sale of a joint venture		**(419)**	-
Movement in finance cost related to loans and borrowings		**(15,783)**	859
(Reversal of provision)/ Provision for impairment of financial assets		**186**	(4,195)
Share of net profits of joint ventures accounted for using the equity method		**(23,600)**	(12,810)
Finance income		**(50,698)**	(10,349)
Finance costs		**162,847**	109,724
Dividend income		**(4,835)**	(5,440)
Net monetary gain arising from hyperinflation		**(37,329)**	(19,469)
Other movements		**(325)**	1,316
Operating profit before working capital changes		**711,248**	596,404
Working capital changes:			
- Inventories		**(75,468)**	(63,207)
- Contract assets		**-**	2,874
Trade and insurance receivables, prepayments and due from related parties		**(19,693)**	226,384
- Contract liabilities		**86,281**	12,159
- Insurance contract receivable		**(5,477)**	-
- Trade and insurance payables, accruals and due to related parties		**(236,586)**	(112,392)
- Other		**-**	(41)
Cash generated from operations		**460,305**	662,181
Employees' end of service benefits paid		(7,723)	(8,123)
Cash generated from operating activities – Continuing operations		**452,582**	654,058
Cash generated from/(used in) operating activities – Discontinued operations		**77,925**	(25,181)
Net cash generated from operating activities		**530,507**	628,877

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

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

CONDENSED CONSOLIDATED INTERIM UNAUDITED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	For the nine-months period ended 30 September	
		2023 Unaudited	2022 Unaudited (Restated)
		QR.'000	QR.'000
Cash flows from investing activities			
Acquisition of property and equipment		**(236,727)**	(111,040)
Acquisition of financial assets		**(38,342)**	(292,458)
Net movement in short-term investments		**123,946**	(264,446)
Finance income received		**45,038**	21,655
Proceeds from sale and maturity of financial investments		**40,552**	263,654
Proceeds from disposal of property and equipment		**3,655**	970
Proceeds from disposal of a joint venture		**3,956**	-
Net movement in cash at banks – restricted for dividends		**910**	(1,434)
Dividends received		**64,835**	5,440
Cash (used in)/ generated from investing activities – Continuing operations		**7,823**	(377,659)
Cash generated from investing activities – Discontinued operations		**(62,092)**	51,890
Net cash used in investing activities		**(54,269)**	(325,769)
Cash flows from financing activities			
Changes in restricted deposits		**(910)**	1,434
Proceeds from loans and borrowings		**20,440**	79,716
Repayment of loans and borrowings		**(3,337)**	(128,142)
Principal element of lease payments		**(4,750)**	8,420
Finance costs paid		**(162,847)**	(121,245)
Cash used in financing activities – Continuing operations		**(151,404)**	(159,817)
Cash used in financing activities – Discontinued operations		**(9,813)**	(11,158)
Net cash used in financing activities		**(161,217)**	(170,975)
Net decrease in cash and cash equivalents		**315,021**	132,133
Effects of exchange rate changes on cash and cash equivalents		**8,634**	5,865
Cash and cash equivalents at 1 January		**347,830**	298,986
Cash and cash equivalents at 30 September		**671,485**	436,984

The accompanying notes from 1 to 11 form an integral part of this condensed consolidated interim unaudited financial statements.

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 unaudited 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.

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 unaudited 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:

			Percentage of holding	
	Relationship	**Country of incorporation**	**30 September 2023**	31 December 2022
			QR.'000	QR.'000
Name of the company				
Amwaj Catering Services Limited (Qatari Private Shareholding Company)	Subsidiary	Qatar	**100%**	100%
Al Koot Insurance & Reinsurance Company P.J.S.C.	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 unaudited 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 September 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	**0%**	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 during 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.

Gulf Med Aviation Services Limited ("GASL") is a company incorporated under the laws of Malta and is principally engaged in helicopter Services in Malta. GASL was a joint venture in which the Group had a joint control and a 49% beneficial ownership interest. Subsequent to the approval of the Board of Directors of Gulf Helicopters Company (GHC) for sale of GHC's share in GASL, GHC entered into a Share Sale Agreement transferring its shares in GASL to Institute of Health and Safety (Investments) Limited during the period. Consequently, GHC do not own any interest in Gulf Med Aviation Services Limited as at 30th September 2023.

2. BASIS OF PREPARATION

The condensed consolidated interim unaudited financial statements for the nine-months period ended 30 September 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;
- 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 unaudited financial statements 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 unaudited financial statements 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 nine-months period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The nature of the changes in accounting policies on account of IFRS 17 "Insurance Contracts" 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 unaudited 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 unaudited 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 unaudited financial statements 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 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 for the new requirements of IFRS 17.

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 September 2023	1691.04
31 December 2022	1128.45

The basic principles applied in the accompanying condensed consolidated interim unaudited 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 unaudited 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 unaudited 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 unaudited statement of financial position.

Non-monetary assets and liabilities, which are not carried at amounts current at the date of condensed consolidated interim unaudited 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 37.329 million is recognized in the condensed consolidated unaudited statement of profit or loss and other comprehensive income for the nine-months period ended 30 September 2023.

All items in the condensed interim unaudited 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 unaudited statement of profit or loss as monetary gain or loss.

All items in the condensed interim unaudited statement of cash flows are expressed in a measuring unit current at the date of condensed interim unaudited 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.

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

These profitability groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

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 fulfilment cash flows (“FCF”) related to past service allocated to the Company at the reporting date.

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:

3.4 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 accquisition 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.

3.4 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. PROPERTY AND EQUIPMENT

	30 September 2023	31 December 2022
	Unaudited	Audited (Restated)
	QR.'000	QR.'000
Cost:		
Balance at 1 January	**10,489,374**	10,180,193
Additions during the period / year	**237,394**	275,987
Disposals during the period / year	**(21,345)**	(12,515)
Write-offs during the period / year	**(20,403)**	(13,213)
Effect of movements in exchange rates during the period / year	**(77,268)**	(29,867)
Effect of hyperinflation	**64,031**	88,789
Assets held for sale	**(165,987)**	-
Balance at 30 September / 31 December	**10,505,796**	10,489,374
Accumulated depreciation:		
Balance at 1 January	**4,928,418**	4,588,912
Depreciation charge for the period / year	**265,375**	347,473
(Impairment reversal) on disposal / impairment provision	**(4,738)**	2,202
Disposals during the period / year	**(15,730)**	(11,194)
Write-offs during the period / year	**(19,116)**	(12,802)
Effect of movements in exchange rates during the period / year	**(11,425)**	(4,652)
Effect of hyperinflation	**11,181**	18,479
Assets held for sale	**(156,362)**	-
Balance at 30 September / 31 December	**4,997,603**	4,928,418
Net carrying amount	**5,508,193**	5,560,956

6. EQUITY-ACCOUNTED INVESTEES

	30 September 2023	31 December 2022
	Unaudited	Audited
Investment in joint ventures	**48,151**	28,088

The Group has investment in below joint ventures at the reporting date:

i. Gulf Drill L.L.C.
ii. Air Ocean Maroc

Gulf Drill L.L.C. (GD):

The Group has entered into a joint venture arrangement with Seadrill Jack Upholding Limited to form Gulf Drill L.L.C ("GD"), an entity registered in the State of Qatar in accordance with the provisions of the QFC. As per the joint venture agreement, the Group has 50% interest in GD.

GD is structured as a separate entity and the Group has a residual interest in the net assets of this entity. Accordingly, the Group has classified its interest in GD as a joint venture.

Air Ocean Maroc (AOM):

AOM is a joint venture in which the Group has joint control and a 49% beneficial ownership interest through one of its subsidiaries, Gulf Helicopters Investment & Leasing Company. AOM is principally engaged in helicopter Services in Morocco. AOM is not publicly listed.

AOM is structured as a separate entity and the Group has a residual interest in the net assets of AOM Accordingly, the Group has classified its interest in AOM as a joint venture.

6. EQUITY-ACCOUNTED INVESTEES (Continued)

The following table summarises the financial information of GD, GASL and AOM as included in their own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these joint ventures.

30-Sep-23	**GD LLC**	**GASL**	**AOM**	**Total**
Percentage ownership interest	50%	49%	49%	
Non-current assets	98,164	-	2,264	**100,429**
Non-current liabilities	(164,308)	-	(1,637)	**(165,945)**
Current assets	343,632	-	34,429	**378,061**
Current liabilities	(203,573)	-	(15,102)	**(218,675)**
Net assets (100%)	73,915	-	19,954	**93,869**
Carrying amount of interest in joint ventures	36,958	-	11,193	**48,151**
Revenue	592,033	-	49,111	**641,143**
Expenses	(543,984)	-	(49,977)	**(593,961)**
Profit / (loss) for the year and other comprehensive income	48,049	-	(866)	**47,183**
Carry over losses	-	-	-	-
Group's share of profit / (loss) and other comprehensive income	24,024	-	(425)	**23,599**
Carrying amount of the investments	36,958	-	11,193	**48,151**

6. EQUITY-ACCOUNTED INVESTEES (Continued)

Reconciliation of carrying amounts:

30 September 2023

	GD	**GASL**	**AOM**	**Total**
Balance at 1 January	12,933	3,537	11,618	**28,088**
Disposal	-	(3,537)		**(3,537)**
Group's share of profit / (loss) for the year	24,025	-	(425)	**23,600**
Balance at 30 Sep 2023	**36,958**	-	**11,193**	**48,151**

31 December 2022	**GD LLC**	**GASL**	**AOM**	**Total**
Percentage ownership interest	50%	49%	49%	
Non-current assets	321,449	1,261	1,729	324,439
Non-current liabilities	(108,310)	-	(2,041)	(110,351)
Current assets	372,315	70,368	29,974	472,657
Current liabilities	(559,588)	(63,779)	(13,539)	(636,906)
Net assets (100%)	25,866	7,850	16,123	49,839
Carrying amount of interest in joint ventures	12,933	3,537	11,618	28,088
Revenue	748,157	20,214	58,074	826,446
Expenses	(714,254)	(22,460)	(46,352)	(783,067)
Profit / (loss) for the year and other comprehensive income	33,903	(2,246)	11,722	43,379
Group's share of profit / (loss) and other comprehensive income	12,933	(1,100)	5,744	17,577
Carrying amount of the investments	12,933	3,537	11,618	28,088

6. EQUITY-ACCOUNTED INVESTEES (Continued)

Reconciliation of carrying amounts:

31 December 2022

	GD LLC	GASL	AOM	Total
Balance at 1 January	-	4,637	5,874	10,511
Additional investment made during the period	-	-	-	-
Group's share of profit / (loss) and other comprehensive income for the period	12,933	(1,100)	5,744	17,577
Balance at 31 December 2022	12,933	3,537	11,618	28,088

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.

On 21st September 2023, the Board of Directors approved the final merger transaction agreements of Amwaj.

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 September 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 September 2023 Unaudited	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%

Financial performance and cash flow information

The financial performance and cash flow information for the discontinued operations presented is for the nine months period ended 30 September 2023.

	30 September 2023 Unaudited	30 September 2022 Unaudited
	QR.'000	QR.'000
Revenue	**311,893**	425,920
Expenses	**(314,172)**	(427,799)
Other income	**4,382**	2,507
Profit/(loss) before income tax	**2,103**	628
Income tax expense	**(62)**	(120)
Profit/(loss) after income tax of discontinued operation	**2,041**	508

	30 September 2023 Unaudited	30 September 2022 Unaudited
	QR.'000	QR.'000
Cash generated from/(used in) operating activities	**77,925**	(25,181)
Cash generated from investing activities	**(62,092)**	51,890
Cash used in financing activities	**(9,813)**	(11,158)

8. OTHER INCOME

	Nine-months period ended 30 September 2023 Unaudited	Nine-months period ended 30 September 2022 Unaudited
	QR.'000	QR.'000
Income tax benefit recognised pursuant to an MOU (1)	**2,007**	2,888
Gain from sale of financial assets	**1,696**	12,326
Dividend income	**4,835**	3,482
Miscellaneous income	**22,029**	(247)
	30,567	18,449

(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.

9. 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

	Nine-months period ended 30 September 2023	Nine-months period ended 30 September 2022
	Unaudited	Unaudited
	QR.'000	QR.'000
Profit attributable to shareholders of the Company (QR '000)	**414,657**	266,954
Weighted average number of ordinary shares outstanding (in shares)	**1,858,408,689**	1,858,408,689
Basic and diluted earnings per share	**0.2231**	0.1436

10. 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.

10. OPERATING SEGMENTS (CONTINUED)

For the period ended 30 September 2023 (Unaudited)	Insurance	Aviation	Catering (discontinued operations)	Drilling	Total
Segment revenue	856,595	798,770	351,485	977,709	2,984,559
Inter-segment revenue	(1,541)	-	(39,591)	-	(41,133)
External revenue	855,054	798,770	311,893	977,709	2,943,426
Segment profit/ (loss) before tax	83,213	339,755	2,103	(23,384)	401,686

For the period ended 30th September 2022 (Unaudited)	Insurance	Aviation	Catering	Drilling	Total
Segment revenue	625,323	689,171	425,920	950,140	2,690,554
Inter-segment revenue	(3,687)	-	(31,431)	-	(35,118)
External revenue	621,636	689,171	394,489	950,140	2,655,436
Segment profit/ (loss) before tax	45,219	268,613	628	(40,075)	274,385

	Insurance	Aviation	Catering (Assets and liabilities held for sale)	Drilling	Total
Segment assets as at 30th September 2023 (Unaudited)	1,988,305	1,811,601	620,570	5,211,317	9,631,793
Segment liabilities	1,201,834	201,573	238,099	4,722,334	6,363,840

	Insurance	Aviation	Catering	Drilling	Total
Segment assets as at 31st December 2022 (Audited – Restated)	1,857,519	1,708,441	428,140	5,273,400	9,267,500
Segment liabilities	1,107,946	196,045	302,838	4,761,356	6,368,185

11. COMPARATIVE FIGURES

Certain comparative financial figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation.