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Gulf International Services QSC

Notice to the Shareholders of Gulf International Services Q.P.S.C.

We are pleased to invite you to attend the Company's Ordinary General Assembly Meetings to be held on Thursday, 27th February 2025 at 3:30 p.m. Doha Time, in Al-Rayan Ballroom, Sheraton Hotel, Doha. In case a quorum is not met, a second meeting will be held on Thursday, 13th March 2025 at the same location at 10 PM.

Agenda of the Ordinary General Assembly Meeting

1. Listen to the Chairman›s message for the financial year ended 31 December 2024.
2. Approve the Board of Directors› report on GIS' operations and financial performance for the financial year ended 31 December 2024.
3. Listen and approve the Auditor's Report on GIS' consolidated financial statements for the financial year ended 31 December 2024.
4. Discuss and approve GIS› consolidated financial statements for the financial year ended 31 December 2024.
5. Present and approve 2024 Corporate Governance Report.
6. Approve the Board›s recommendation for a dividend payment of QR 0.17 per share for 2024, representing 17% of the nominal share value.
7. Absolve the Board of Directors from liability for the year ended 31 December 2024 and fix their remuneration.
8. Appoint the external auditor for the financial year ending 31 December 2025 and approve their fees.

Khalid bin Khalifa Al-Thani
Chairman of the Board of Directors
Gulf International Services

Notes

1. Each shareholder shall have the right to attend the meeting of the General Assembly and shall have a number of votes that equals the number of shares owned thereby. Resolutions shall be passed by an absolute majority of shares duly represented therein, without prejudice to the provisions of the Company's Articles of Association.
2. Minors and the interdicted persons shall be represented by their legal guardians.
3. Any shareholder that is a company may authorize any one person to act as its representative at any meeting of the General Assembly.
4. Attendance by proxy at the General Assembly meeting is permitted, provided that the proxy is a shareholder and that the proxy is specific and in writing. A shareholder may not appoint a Board Director to act as his proxy at the meeting of the General Assembly. Proxy form can be downloaded from the Company's website: www.gis.com.qa.
5. A shareholder may act as proxy for one or more shareholders of the Company as contemplated under the Company's Articles of Association. In all cases, the number of shares held by the proxy in this capacity shall not exceed (5%) of the Company's share capital.
6. Instruments appointing authorized persons and proxies must be provided to the Company no less than forty-eight (48) hours prior to the commencement of the General Assembly.

Board of Directors' Report

The Board of Directors is pleased to present its annual review of the financial and operational performance of Gulf International Services for the financial year 2024.

Macroeconomic Overview:

In 2024, the oil and gas services industry showcased significant adaptability in response to a dynamic macroeconomic landscape, shaped by fluctuating energy prices and geopolitical factors. The sector experienced growth driven by ongoing investments in both upstream and downstream activities, with a focus on operational efficiency and technological innovations.

Service providers across various support functions saw substantial opportunities due to increased activities and a rising demand for integrated support services. The emphasis on energy security and regional expansions spurred strategic collaborations and advancement with the industry.

Despite facing challenges such as inflationary pressures and evolving regulatory frameworks, the industry demonstrated resilience. Companies capitalized on diversified service offerings to gain market share and improve operational efficiency, aligning with the changing needs of the market.

Business and Market Expansion Updates

-Drilling Segment Overview:

The drilling segment has made a notable stride in enhancing its financial stability and operational efficiency through strategic initiatives. A significant development was the acquisition of three jack-up rigs, previously leased from Seadrill. This transition from leasing to ownership has improved cost management and revenue generation. By owning the rigs, the company eliminates recurring leasing expenses and captures the full day rate revenue, significantly boosting its top-line. This move positions the segment to better capitalize on the increasing demand for offshore drilling services.

This strategic shift enhances operational flexibility, reduces the cost base, and maximizes asset utilization, laying a strong foundation for sustainable growth. Ongoing efforts to optimize deployment and operational control further reinforce GDI's leading position in the Qatari drilling services market, contributing to long-term financial stability and value creation. Additionally, the successful debt restructuring completed last year has yielded tangible benefits, significantly reducing financing costs and supporting improved profitability. This has enhanced GDI's ability to allocate resources more effectively.

Regarding fleet and contract updates, the company secured a 5-year contract extension for one of its offshore rigs with an improved day rate. In the onshore segment, the company strengthened its local presence by securing a 4-year extension on its existing contracts for two onshore rigs. The company holds a majority market share in the Qatari offshore market with a total of 12 operating rigs and continues to pursue strategies to expand its market share and drive growth.

-Aviation Segment Overview:

During the year, the aviation segment saw increased demand for helicopters supporting offshore oil and gas services in both domestic and international markets. Enhanced business performance driven by increased flying hours in these operations. Additionally, the segment benefitted from Maintenance, Repair, and Overhaul (MRO) activities. These key drivers significantly boosted the segment›s overall performance, reflecting a strong commitment to operational excellence and strategic positioning in the global aviation market.

As part of its fleet upgrade strategy, the company signed an aircraft acquisition contract with a reputable supplier for five helicopters, with an option to add an additional five aircrafts. The first three helicopters were delivered in the second half of this year.

-Insurance Segment Overview:

The insurance segment's robust performance in 2024 was driven by its strategic expansion in the medical line of business, focusing on contracts with higher premiums and lower claims. Al-Koot solidified its position as a market leader in Qatar's medical insurance sector while maintaining a strong presence in the local energy insurance market. It continues to offer the largest capacity for mega-energy risks in Qatar, alongside coverage for non-energy risks.

Throughout the year, Al-Koot successfully renewed major client contracts and expanded its international portfolio by acquiring new clients. In Q2 2024, the company launched its motor insurance business, demonstrating a commitment to capturing market share and driving growth in this new segment. Al-Koot's strong financial performance is further reflected in its financial strength and issuer credit rating of 'A-' with a stable outlook, as affirmed by S&P Ratings

-Catering Business Overview:

The catering segment reported improved set of results, driven by the successful transaction of three entities. This strategic move has created a leading player in catering, positioning the combined entity as the preferred provider for large-scale catering and industrial accommodation needs in Qatar.

Achieving Cost Efficiencies and Asset Utilization

The Group is committed to optimizing costs and resource utilization, aligning with its vision of building leaner, more efficient operations. Through stringent cost control measures, the Group consistently progress toward enhanced operational efficiency and sustainable growth.

In terms of asset utilization, the Group prioritize maximizing performance while upholding the highest standards of safety and quality. In the drilling segment, operating rig utilization achieved 98%, reflecting a focus on operational optimization. Similarly, the aviation segment saw a significant increase in total fleet flying hours by 6%, highlighting robust activity across domestic and international operations. These achievements underscore the Group's relentless pursuit of operational excellence and efficiency across all business areas.

Financial Results

The Group posted a net profit of QR 711 million, up by 94% compared to last year. The Group's total revenue for the year ended 31 December 2024 improved by 14% compared to 2023 and amounted to QR 4.6 billion for the year ended 31 December 2024, compared to QR 4 billion for last year. For the year ended 31 December 2024, the Group reported an EBITDA of QR 1.4 billion (Revenue and EBITDA measures have been reported based on non-IFRS proportionate consolidation).

The Group achieved strong financial performance supported by robust revenue growth from all the business segments. The key contributing factors to the revenue increase included improved day rates and higher asset utilization in the drilling segment, increased flying hours in the aviation segment and enhanced premiums in the insurance segment, supported by major contract renewals. Revenue increase along with reduction in finance costs, primarily due to debt restructure in the drilling segment, higher other income mainly in relation to higher investment income in addition to lower other expenses led to an uptick in the net profit results compared to the previous year.

Dividends

As we concluded the year on a strong note, propelled by favorable industry dynamics and strategic achievements, and with outlook for our businesses. Therefore, after taking into account the Group's operating, investing and financing needs, the Board of Directors is pleased to recommend a total dividend distribution of QR 316 million for the year ended 31 December 2024, equivalent to QR 0.17 per share, representing 17% of the nominal share value.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, for his wise guidance and strategic vision. We also express our gratitude to GIS clients for their unwavering trust and confidence, as well as the senior management of the Group companies for their relentless dedication and hard work. Additionally, we extend our thanks to our esteemed shareholders for their continued trust and confidence in us.

Independent Auditors' Report

Independent auditor's report to the shareholders of Gulf International Services Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gulf International Services Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the State of Qatar.

Our audit approach

Overview

Key Audit Matters	• **Accounting for the asset acquisition** • **Valuation of insurance contract assets and liabilities** • **Impairment of rigs**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of material accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the Key audit matters
Accounting for the Asset Acquisition	
During the year, the Group completed the acquisition of 3 rigs as well as the 50% residual interest in GulfDrill – a previous Joint Venture of the Group. The purchase price amounted to QAR 1,230 million. Since almost all of the fair value of the acquired assets and liabilities were concentrated in a group of assets, management recorded the transaction as an asset acquisition rather than a business combination. Management assisted by an external valuation specialist determined the fair value of the rigs as well as the fair value of the residual interest using discounted cash flow valuation techniques. We considered the asset acquisition to be a matter of most significant to our current year audit given the material size of the acquisition as well as judgements applied by management in determining the accounting treatment and performing the fair valuation exercise. Refer to Note 37 to the consolidated financial statements for details.	Our procedures included the following: • Examining the sales purchase agreement to understand the key terms and conditions; • Verified, based on the purchase agreements as well as the criteria defined in IFRS 3, "Business Combinations" (for residual interest) and IFRS 15, "Revenue from contract with customers" (for the rigs), the assessment made by management with regard to the control over the rigs and the residual interest; • We assessed the competency, objectivity and independence of the external valuers engaged by the Group. We also obtained the valuation reports and discussed these with the external valuers regarding the methodologies and key assumptions used; • With input from our internal valuation experts (where considered necessary), we performed the following procedures, in relation to the fair valuation of the rigs and the fair valuation of the residual interest, as deemed appropriate; - Considered the appropriateness of the methodology and assumptions used in determining the fair values based on the applicable financial reporting requirements and established market practice; - Compared certain key unobservable inputs underlying the fair values to supporting documentation such as the forecasts and budgets; - Evaluated the reasonableness of the resulting fair values based on comparable market data. • We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.

Key audit matters	How our audit addressed the Key audit matters
Valuation of insurance contract assets and liabilities	
<u>Valuation of liability for incurred claims - Best estimate liability and Risk adjustment</u> At 31 December 2024, as disclosed in Note 7.1, the estimate of present value of cash flows and the risk adjustment for non-financial risk amounted to QAR 1,116,489,949 (2023 – QAR 1,012,689,849). The valuation of the liability for incurred claims (LIC) under IFRS 17 is a key judgmental area for management as it requires the use of complex actuarial methods to estimate contractual cash flows, in particular ultimate claim expectations and claim development patterns. The present value of future cash flows is based on the best estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs. In addition, the risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk. The Group applies key judgments and assumptions in deciding on the technique used to determine the risk adjustment for non-financial risks. Due to the inherent estimation uncertainty and subjectivity involved in the assessment of the valuation of the liability for incurred claims arising from insurance contracts, we have considered this as a key audit matter.	We performed the following procedures: •Understood and evaluated management's process for the valuation of outstanding claims and tested key controls. • We obtained from management's external independent expert the Incurred but not Reported Reserves (IBNR) estimation and the supporting judgements and assumptions; • Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence. • Performed substantive tests, on sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claim reserves. • Checked the completeness of the underlying data used as inputs into the actuarial valuations. We tested, on sample basis, the accuracy of the underlying claims data utilised in estimating (i) the present value of the future cashflows and the (ii) risk adjustment for non-financial risk by comparing it to the accounting and other records. • We involved our actuarial specialists in: - - evaluating the methodology and assumptions related to the best estimate liability (IBNR), risk adjustment, and discounting against the requirements of the IFRS 17 ; - assessing the appropriateness of key actuarial assumptions used including claims ratios and the expected frequency and severity of claims. - reperforming, on a sample basis, an independent estimation on the Present Value of future cashflows for the material lines of business and comparing the results with the amounts recorded by management; - determining an independent reasonable range for the computation of the RA using the Group's data and if it falls within a reasonable range from the amounts recorded by management - testing the movement disclosure required by the Standard; and - performed independent overall analytical procedures on LIC balances.

FOR MORE INFORMATION ABOUT THE MEETING AGENDA MATERIALS, PLEASE VISIT WWW.GIS.COM.QA OR EMAIL US AT: GIS@QATARENERGY.QA OR CALL US AT: +974 4013 2088

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Independent Auditors' Report (Continued)

Key audit matters	How our audit addressed the Key audit matters
	- Assessing the adequacy and appropriateness of the related disclosures in the financial statements.
Impairment of rigs	
The Group's assets include property and equipment at the reporting date with a carrying value of QR 6,872 million. Out of this, property and equipment related to the drilling segment amounted to QR. 4,858 million. International Accounting Standard (IAS) 36 'Impairment of Assets' requires these assets to be assessed for impairment where indicators of impairment are present. Given the cyclical nature of the oil and gas business, there is a potential risk that these assets may not generate cash inflows in line with expectations and forecasts, resulting in an impairment. The Group's assessment of the value in use ("ViU") of its cash generating units ("CGUs") involves estimation about the future performance of the respective businesses. In particular, the determination of the ViU is sensitive to the significant assumptions of future day rates and discount rates. As a result of the impairment tests performed, no impairment was recognized during the year ended 31 December 2024. We considered the Group's impairment assessment to be a matter of most significance to the current year audit due to the significant judgements and assumptions made by management in performing the impairment assessment. Refer to the following notes to the consolidated financial statements for further details: Note 2.4: Use of judgements and estimates; Note 6: Property and equipment	Our audit procedures included the following: • We obtained an understanding of the business process related to impairment; • We reviewed the group assessment to identify if there is any impairment trigger; • We obtained the valuation model and tested the mathematical accuracy of the model used by management. We also assessed the appropriateness of the valuation methodology (discounted cash flows model) applied by management, with reference to market practice and the requirements of IAS 36; • We assessed the reliability of the Group's budgets included in the business plans (which form the basis of the cash flow forecasts), by comparing current period budgets to actual results and evaluating differences noted against underlying documentation and explanations obtained from management. We also agreed revenue and costs used to calculate cash flow forecasts to approved budgets and/or business plans and benchmarking of day rate assumptions to market data; • We utilised our internal valuation specialists to support us in assessing the assumptions and methodology used by management, and in particular, they independently calculated the weighted average cost of capital; • We performed sensitivity analysis to determine the changes in key assumptions, namely, discount rates and day rates that would result in an impairment. We considered whether such changes were reasonably likely; • We also assessed the adequacy of the related disclosures provided in Note 6 to the consolidated financial statements, in particular the sensitivity disclosures in relation to reasonably possible changes in assumptions that could result in impairment.

Other information

The Directors are responsible for the other information. The other information comprises the Board of Directors' Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Annual Report, which is expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Directors and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 and for such internal control as the Directors determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 or of its Articles of Association, which would materially affect the reported results of its operations or its consolidated financial position as at 31 December 2024.

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

Mark Menton

Auditor's registration number 364
Doha, State of Qatar
4 February 2025

Gulf International Services Q.P.S.C.
Consolidated financial statements for the year ended 31 December 2024
(All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December

	Note	**31 December 2024**	31 December 2023 *(Restated)* Note 38	1 January 2023 *(Restated)* Note 38
Assets				
Non-current assets				
Property and equipment	6	**6,872,089**	5,572,131	5,605,671
Goodwill		**-**	-	303,559
Right-of-use assets	8	**153,246**	28,386	49,571
Contract assets	13	**13,104**	13,104	13,104
Equity-accounted investees	10	**394,761**	390,052	28,088
Financial assets at FVTOCI	11	**349,445**	367,949	306,592
		7,782,645	6,371,622	6,306,585
Current assets				
Inventories	12	**439,097**	351,534	337,424
Financial assets at FVTPL	11	**482,467**	469,342	438,185
Financial assets at FVTOCI	11	**99,225**	-	-
Trade and other receivables	13	**1,025,773**	902,686	1,029,173
Other assets	18	**200,014**	149,616	120,832
Reinsurance contract assets	25.2.1	**837,643**	775,666	668,446
Short-term investments	14	**467,217**	718,793	746,126
Other bank balances	15.1	**42,079**	47,079	48,619
Cash and cash equivalents	15	**731,012**	530,107	347,828
		4,324,527	3,944,823	3,736,633
Total assets		**12,107,172**	10,316,445	10,043,218
EQUITY AND LIABILITIES				
Equity				
Share capital	16	**1,858,409**	1,858,409	1,858,409
Legal reserve	17(a)	**431,797**	394,367	384,339
General reserve	17(b)	**74,516**	74,516	74,516
Translation reserve	17(c)	**10,100**	(23,118)	(25,961)
Fair value reserve	17(d)	**(12,054)**	(18,409)	(27,646)
Retained earnings		**1,870,485**	1,486,920	1,326,296
Equity attributable to shareholders of the company		**4,233,253**	3,772,685	3,589,953
Non-controlling interests		**-**	(482)	(312)
Total equity		**4,233,253**	3,772,203	3,589,641

	Note	**31 December 2024**	31 December 2023 *(Restated)* Note 38	1 January 2023 *(Restated)* Note 38
LIABILITIES				
Non-current liabilities				
Lease liabilities	9	**54,928**	23,135	7,432
Loans and borrowings	19	**5,265,850**	4,179,883	2,661,541
Contract liabilities	22	**15,289**	2,730	2,730
Deferred tax liabilities		**19,192**	14,672	19,629
Provision for decommissioning costs		**3,966**	-	45,899
Provision for employees' end of service benefits	20	**76,615**	80,668	112,028
		5,435,840	4,301,088	2,849,259
Current liabilities				
Lease liabilities	9	**96,064**	5,250	33,939
Dividends payable	23	**42,077**	47,079	48,619
Loans and borrowings	19	**348,554**	268,102	1,734,430
Trade and other payables	21	**605,150**	670,847	693,035
Insurance contract liabilities	25.2.2	**1,276,410**	1,251,876	1,079,705
Contract liabilities	22	**69,824**	-	14,590
		2,438,079	2,243,154	3,604,318
Total liabilities		**7,873,919**	6,544,242	6,453,577
Total equity and liabilities		**12,107,172**	10,316,445	10,043,218

These consolidated financial statements were approved by the Board of Directors of the Company and signed on its behalf by the following on 4 February 2025:

Khalid Bin Khalifa Al-Thani
Chairman

Saad Rashid Al-Muhannadi
Vice Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December

	Note	**2024**	2023 *(Restated)* Note 38
Continuing operations			
Revenue	25.1	**2,917,325**	2,364,591
Cost of sales	26	**(2,071,716)**	(1,775,047)
Gross profit from non-insurance operations		**845,609**	589,544
Insurance revenue	25.2	**1,236,307**	1,173,899
Insurance service expense	25.2	**(853,672)**	(886,893)
Net expense from reinsurance contracts held	25.2	**(296,983)**	(216,850)
Insurance service result		**85,652**	70,156
Gross profit and net insurance service results		**931,261**	659,700
Finance expense from insurance contracts issued		**(42,277)**	(44,914)
Finance income from reinsurance contracts held		**63,177**	54,797
Net insurance finance income		**20,900**	9,883
Other income	27	**49,660**	47,263
Other losses	28	**(43,072)**	(19,263)
General and administrative expenses	29	**(198,961)**	(192,548)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		**35**	-
Net fair value gain on financial assets at FVTPL		**15,671**	21,928
Net monetary gain/(loss) arising from hyperinflation		**21,765**	(2,924)
Reversal/(provision) for impairment loss on financial assets	13	**102**	(1,341)
Operating profit		**797,361**	522,698
Finance income	34.1	**73,137**	70,436
Finance costs	34.2	**(199,784)**	(218,501)
Finance costs – Net		**(126,647)**	(148,065)
Share of net profits of equity accounted investees	10	**58,671**	24,798
Profit before income tax		**729,385**	399,431
Income tax expense	30	**(18,180)**	(9,081)
Profit for the year from continuing operation		**711,205**	390,350
Loss from discontinued operation (attributable to the shareholders of the Company)	7	**(205)**	(24,237)
Profit for the year		**711,000**	366,113
Profit for the year attributable to:			
Shareholders of the Company		**711,000**	366,283
Non-controlling interests		**-**	(170)
		711,000	366,113
Earnings per share			
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company		**0.383**	0.210
Basic and diluted earnings per share from discontinued operations attributable to shareholders of the Company		**(0.000)**	(0.013)
Basic and diluted earnings per share from profit attributable to shareholders of the Company	31	**0.383**	0.197

	Note	**2024**	2023 *(Restated)* Note 38
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income		**6,390**	9,237
Net instruments at FVOCI reclassified to profit or loss		**(35)**	-
Tax reimbursement from equity-accounted investees		**6,532**	-
Exchange differences on translation of foreign operations including effect of hyperinflation		**33,218**	2,843
Other comprehensive income for the year		**46,105**	12,080
Total comprehensive income for the year		**757,105**	378,193
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**757,105**	378,363
Non-controlling interests		**-**	(170)
		757,105	378,193
Total comprehensive income for the period attributable to shareholders of the Company arises from:			
Continuing operations		**757,310**	402,430
Discontinued operations		**(205)**	(24,237)
		757,105	378,193

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	Attributable to owners of the Company								
	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total	Non controlling interests	Total equity
Balance at 1 January 2023 (restated) – previously reported	1,858,409	384,339	74,516	(25,961)	(27,646)	1,365,244	3,628,901	(312)	3,628,589
Restatement (Note 38)	-	-	-	-	-	(38,948)	(38,948)	-	(38,948)
Balance at 1 January 2023 (restated)	1,858,409	384,339	74,516	(25,961)	(27,646)	1,326,296	3,589,953	(312)	3,589,641
Total comprehensive income:									
Profit for the year	-	-	-	-	-	366,283	366,283	(170)	366,113
Other comprehensive income	-	-	-	2,843	9,237	-	12,080	-	12,080
Total comprehensive income for the year	-	-	-	2,843	9,237	366,283	378,363	(170)	378,193
Social fund contribution (Note 21)	-	-	-	-	-	(9,790)	(9,790)	-	(9,790)
Transfer to legal reserve	-	10,028	-	-	-	(10,028)	-	-	-
Transactions with shareholders of the Company:									
Dividends declared	-	-	-	-	-	(185,841)	(185,841)	-	(185,841)
Balance at 31 December 2023 (restated)	1,858,409	394,367	74,516	(23,118)	(18,409)	1,486,920	3,772,685	(482)	3,772,203
Balance at 1 January 2024 (restated)	**1,858,409**	**394,367**	**74,516**	**(23,118)**	**(18,409)**	**1,486,920**	**3,772,685**	**(482)**	**3,772,203**
Total comprehensive income:									
Profit for the year	**-**	**-**	**-**	**-**	**-**	**711,000**	**711,000**	**-**	**711,000**
Other comprehensive income	**-**	**-**	**-**	**33,218**	**6,355**	**-**	**39,573**	**-**	**39,573**
Total comprehensive income for the year	**-**	**-**	**-**	**33,218**	**6,355**	**711,000**	**750,573**	**-**	**750,573**
Tax reimbursements	**-**	**-**	**-**	**-**	**-**	**6,532**	**6,532**	**-**	**6,532**
Social fund contribution (Note 21)	**-**	**-**	**-**	**-**	**-**	**(17,775)**	**(17,775)**	**-**	**(17,775)**
Transfer to legal reserve	**-**	**37,430**	**-**	**-**	**-**	**(37,430)**	**-**	**-**	**-**
Transactions with shareholders of the Company:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**482**	**482**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**(278,762)**	**(278,762)**	**-**	**(278,762)**
Balance at 31 December 2024	**1,858,409**	**431,797**	**74,516**	**10,100**	**(12,054)**	**1,870,485**	**4,233,253**	**-**	**4,233,253**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December

	Note	**2024**	2023 *(Restated)* Note 38
Cash flows from operating activities			
Profit/(Loss) before income tax			
Continuing operations		729,385	399,431
Discontinued operations		(205)	(24,237)
Adjustments for:			
Depreciation of property and equipment	6	436,637	361,604
Impairment loss on property and equipment	6	-	7,316
Loss on sale and write-off of property and equipment		1,915	4,009
Depreciation of right-of-use assets	8	65,242	13,701
Share of profit of equity-accounted investees		(65,202)	(24,798)
Gain on settlement of pre-existing relationships		(11,103)	-
Loss from the disposal of a subsidiary	7	205	26,279
Write-down of inventories due to slow-moving and obsolete stock		925	763
Write-off of property and equipment		1,848	-
Net impairment loss on financial assets	13	102	1,341
Amortisation of intangibles relating to equity-accounted investees		2,486	-
Provision for employees' end of service benefits	21	17,680	16,236
Net gain in fair value of financial investments at FVTPL		(801)	(21,928)
Net loss/(gain) from sale of financial investments		304	(313)
Gain on disposal of equity-accounted investees		(7,984)	-
Profit distribution from managed investment funds	37	-	(1,655)
Dividend income	37	(8,515)	(4,928)
Income tax benefit recognized pursuant to MOU	27	-	(5,723)
Finance income	34.1	(73,137)	(70,436)
Finance costs - leases	9	6,799	202
Finance costs – loans and borrowings	34.2	192,985	224,948
Finance costs – decommissioning		3,966	180
Net monetary gain arising from hyperinflation		(21,765)	2,924
Operating profit before working capital changes		1,271,767	904,916
Working capital changes:			
(Increase) in inventories		(88,488)	(28,641)
(Increase) in other assets		(50,398)	(28,783)
(Increase) in trade and other receivables		(111,810)	(5,024)
(Increase) in reinsurance contract assets		(61,977)	(107,220)
(Decrease) in trade and other payables		(69,902)	111,762
Increase in insurance contract liabilities		24,534	172,171
Increase / (decrease) in contract liabilities		82,383	(14,590)
Cash flows generated from operating activities		996,109	1,004,591
Social and sports contribution paid		(9,790)	(7,251)
Employees' end of service benefits paid	21	(21,733)	(15,571)
Net cash flows generated from operating activities		964,586	981,769
Investing activities			
Acquisition of property and equipment	6	(1,699,712)	(364,474)
Acquisition of residual interest of equity-accounted investees		(43,690)	-
Net capital working movements of equity-accounted investees		94,677	-
Acquisition of financial investments		(205,039)	(62,883)
Net movement in short-term investments		251,576	27,333
Finance income received	34.1	73,137	63,203
Proceeds from sale and maturity of financial investments		126,560	15,051
Profit distribution from managed investment funds	27	-	1,655
Proceeds from sale of a joint venture		-	3,537
Amwaj's cash at disposal	7	-	(127,414)
Dividends from equity-accounted investee	10	14,549	3,920
Proceed from sale of subs		730	1,691
Net cash generated from/(used in) investing activities		(1,387,212)	(438,381)
Financing activities			
Principal elements of lease payments		(56,391)	(5,951)
Proceeds from loans and borrowings	19	1,228,041	20,440
Repayment of loans and borrowings	19	(61,622)	(3,872)
Finance costs paid - leases	9	(6,800)	(202)
Finance costs paid – loans and borrowings	34.2	(192,985)	(189,502)
Dividends paid		(278,762)	(185,841)
Net cash flows used in financing activities		631,481	(364,928)
Net change in cash and cash equivalents		208,855	178,460
Effect of movements in exchange rates on cash held		(7,950)	3,819
Cash and cash equivalents at 1 January		530,107	347,828
Cash and cash equivalents at 31 December	15	731,012	530,107

Other non-cash investing activities relate to the disposal of Amwaj, refer to Note 7. Cashflows relating to discontinued operations are presented in Note 7.

Notes to the consolidated financial statements
(All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

1. REPORTING ENTITY

Gulf International Services Q.P.S.C. (the "Group") 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 Group 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, as amended by Law No. 8 of 2021, 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 Group is situated in Doha, State of Qatar.

These consolidated financial statements comprise of the Group and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in provision of drilling, aviation, insurance and reinsurance services.

On 26 May 2008, Qatar Energy listed 70% of the Group'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, Qatar Energy divested 20% of its stake in the Group to GRSIA.

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

	Country of incorporation	Segment	Shareholding	
			2024	2023
Name of the company				
Al Koot Insurance & Reinsurance Company P.J.S.C.	Qatar	Insurance	**100%**	100%
Gulf Helicopters Company (Qatari Private Shareholding Company)	Qatar	Aviation	**100%**	100%
Gulf Drilling International Limited (Qatari Private Shareholding Company)	Qatar	Drilling	**100%**	100%

On 22 April 2024, the Group sold its subsidiary in India, United Helicharters Private Limited ("UHPL") and reported it in the financial statements for the year ended 31 December 2024 as discontinued operation. The details of the transaction are disclosed in Note 7.

During the year 2023, the group deconsolidated Amwaj Catering which was previously wholly owned subsidiary of the Group.

These consolidated 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 equity accounted investees:

			Beneficial ownership interest	
Entity	Relationship	Country of incorporation	**31 December 2024**	31 December 2023
Amwaj Catering Services	1	Qatar	30%	30%
Gulf Jackup SPC LLC.*	2	Qatar	100%	-
GulfDrill LLC**	2	Qatar	100%	50%
Air Ocean Maroc	1	Morocco	49%	49%
Gulf Helicopters Investment & Leasing Company	2	Morocco	100%	100%
United Helicharters Private Limited - Discontinued	2	India	-	90%
Al Maha Aviation Company	2	Libya	100%	100%
Redstar Havacilik Hizmetleri A.S.	2	Turkey	100%	100%
AOM Aviation Capital (Sarlau)	2	Morocco	100%	100%

1 Equity accounted investee
2 indirect subsidiary

*The Group established Gulf Jack Up SPC LLC during the year, refer to note 37 for details
** The Group purchased 50% interest in GulfDrill LLC during the year which was previously a Joint Venture, refer to note 37 for details.

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

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

2.2 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared 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.

2.3 FUNCTIONAL AND PRESENTATIONAL CURRENCY

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

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

2.4 USE OF JUDGMENTS AND ESTIMATES

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described as follows:

Judgements

The Group applies significant judgment to determine the functional currency of one of its subsidiaries which operates in Turkey (Redstar Havacilik Hizmetleri A.S). In its judgment, the Group considers the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services and the currency that mainly influences labour, material and other costs of providing goods or services. This along with other factors as specified in IAS 21- The Effects of Change in Foreign Currency Rates.

The Group has concluded based on its assessment that Turkish Lira is the functional currency of its subsidiary Redstar Havacilik Hizmetleri A.S.

Estimates and assumptions

Impairment of non-financial assets - Rigs

The Group is required to undertake a test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- Revenue growth rates;
- Cost inflation;
- long term growth rates range during discrete period and terminal period;
- the selection of discount rates to reflect the risks involved.

The recoverable amount is most sensitive to revenue growth assumption for certain rigs and the discount rate used for the discounted cash flow model.

The impairment test requires an estimation of the value in use of the cash-generating units which requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those.

Refer to Note 6 for assumptions used and further details.

Provision for expected credit losses of financial assets

The impairment model under IFRS-9 requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The assumptions used are disclosed in Note 5.1.

2.4.1 Significant judgements and estimates in applying IFRS 17

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.

Estimates of future cash flows to fulfil insurance contracts

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Group also derives cost inflation assumptions. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognized in profit or loss as they are incurred.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. The Group performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

Group uses significant 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. The Group established a process to determine onerous, potentially onerous and profitable contracts by assessing the profitability of the different portfolios at the start of the underwriting year.

Risk adjustment

Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

Discount rates

The Group 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 Group's contracts, the Group 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 Group's discount rates.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

All portfolios (issued and reinsurance held)

	2024	2023
1 year	**4.7%**	5.7%
2 years	**4.6%**	4.6%
3 years	**4.6%**	4.5%
4 years	**4.5%**	5.0%
5 years	**4.5%**	4.1%
6 years	**4.5%**	4.8%
7 years	**4.5%**	5.1%
8 years	**4.6%**	4.8%
9 years	**4.5%**	4.8%
10 years	**4.6%**	4.8%

2.4.2 Significant judgements and estimates in applying IFRS 9

The Group assess loss allowance for the insurance receivable using the lifetime ECL model. At each reporting date, the Group assesses whether the Group's insurance receivables are credit impaired. While assessing whether the receivables are 'credit-impaired' the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the receivable balances have occurred.

As at the reporting date, the management's assessment has concluded that amounted to QR 15,426,233 (2023: QR 16,102,516) as of 31 December 2024 of the receivable balances were credit impaired.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

3.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FROM 1 JANUARY 2024

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants – Amendments to IAS 1.
- Lease liability in sale and leaseback – Amendments to IFRS 16.
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

As a result of the adoption of the amendments to IAS 1, the group changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period."

This new policy did not result in a change in the classification of Group's borrowings. The group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

3.2 NEW, AMENDED STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The following are the amendments to the standards:
- Amendments to IAS 21 - Lack of Exchangeability
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- IFRS 18, 'Presentation and Disclosure in Financial Statements'
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures

4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

4.1 BASIS OF CONSOLIDATION

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests ('NCI')

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. IAS28(38),(39) Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. IAS28(28),(30) Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

4.2 PROPERTY AND EQUIPMENT

Recognition and measurement

Items of property and equipment are recognized at cost of acquisition and measured thereafter at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group

Depreciation

The estimated useful lives of the assets are as follows:

	Useful life
Buildings	4 -20 years
Aircraft	10-20years
Machineries	2 - 7 years
Rigs	15 - 30 years
Other property and equipment:	
Ground and radio equipment and tools	4 - 6 years
Motor vehicles	4 - 5 years
Furniture, fixtures and office equipment	3 - 7 years
Computers	3 years

Depreciation is calculated from when the assets are ready for their intended use. Depreciation is based on the estimated useful lives of the applicable assets on a straight-line basis, except capitalised maintenance expenditures, which are depreciated depending on the nature:

1) Spares such as engines, gearboxes are depreciated over 4 years as that's the established intervals for such maintenance (normal aviation practice is to have an inspection every 4 years) to ensure air worthiness.

2) Other spares which are consumed based on the flying hours and required to be replaced as per the air safety manual. Hence it is appropriate to depreciate these over the usage in terms of flying hours.

Capitalised maintenance expenditures represent major overhaul and inspections costs to aircraft, engines and gearboxes.

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Profit and loss on disposals of items of property and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognized net within consolidated statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is carried at cost less impairment, if any. capital work-in-progress is not depreciated. once assets within the capital work-in-progress category are completed, they are reclassified to the relevant category and depreciated accordingly once they are put into use. Prepayments for property and equipment is included in capital work in progress.

4.3 INVENTORIES

Inventories are measured-at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the following methods:

- Drilling related inventories are calculated using weighted average method;
- Aviation related inventories are calculated using specific identification method; and
- Catering related inventories are calculated using First-in-First Out (FIFO) method.

4.4 FINANCIAL INSTRUMENTS

(a) Recognition and initial measurement

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) Classification and subsequent measurement

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

- **FVPL**: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

Financial liabilities

All financial liabilities are measured either at FVTPL or at amortized cost using the effective interest method.

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

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in consolidated statement of comprehensive income, unless the recognition of the effects of changes in the

liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognized in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in the consolidated statement of comprehensive income are not subsequently reclassified to the consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Derecognition of financial liabilities

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

4.5 IMPAIRMENT

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 5 for further details.

4.6 DEFERRED ACQUISITION COSTS (DAC)

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in profit or loss. DAC are included as a part of the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed off.

4.7 INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities include the provision for outstanding claims, provision for claims incurred but not reported and the provision for unearned premium. Insurance contact liabilities are recognized when contracts are entered into and premiums are charged. The provision for outstanding claims is recognized for claims reported but not settled and accounts for the liability for unpaid loss and loss adjustment expense amounts based on the management's and loss adjusters' best estimate.

The provision for claims incurred but not reported is calculated based on empirical data, historical trends and patterns and appropriate assumption with the application of widely acceptable actuarial techniques.

The provision for unearned premium represents the portion of premium which relates to risks that have not expired as the reporting date. The provision for unearned premium is calculated based on the insurance service pattern provided by the insurance contract and is recognized as income over the term of the contract.

The Group reviews the adequacy of the provision for unearned premium to cover costs associated with liability arising from unexpired risk at each reporting date. Where the provision is considered inadequate to cover future contractual obligations for unexpired risks, a provision for premium deficiency is established and recognized.

4.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks, cash in hand and short-term deposits. Short-term deposits 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 are classified as cash and bank balances.

4.9 SHARE CAPITAL

Ordinary shares and the special share issued by the Group are classified as equity. The special share grants rights to QatarEnergy as described in its Article of Association.

4.10 REVENUE RECOGNITION

Revenue is recognized based on the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. For further details refer to the below table.

Performance obligations and revenue recognition policies

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of services	**Nature, timing of satisfaction of performance obligations, significant payment terms**
Drilling and related services	Customers generally contract for an agreement to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services. Consideration for activities that are not distinct within the scope of contracts, such as mobilization, and demobilization do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognized over the expected recognition period in proportion to the passage of each hour available to drill. Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration. This unit of measure is representative of an output method as described in IFRS 15. Customers are invoiced on a monthly basis and consideration is payable when invoiced.
Management fees	The Group entered into an agreement to provide management services to one of its subsidiary. Revenue from management fee is recognized over time as the customer benefits from the services as they are provided. Revenue is recognized over time as the services are provided using the input method. Customers are invoiced on a monthly basis and consideration is payable when invoiced.
Aviation revenue - Helicopter transportation services, operation services (MRO) and training services.	The revenue is derived from helicopter transportation services, operations services and training services. **Transportation services** The revenue from helicopter transportation services includes air-charter, tourist flights, aerial photo flights, air ambulance and related services. Revenue is recognized as the transportation services have been provided. Customers are invoiced on a monthly basis and consideration is payable when invoiced. **Operation services (MRO)** The revenue from operation services includes servicing and maintenance of charters and helicopters of the customers. Revenue is recognized as the services have been provided.
	Customers are invoiced on a monthly basis and consideration is payable when invoiced. **Training services** The revenue from training services includes flight training provided to the customers. Revenue is recognized as the services have been provided. Customers are invoiced on a monthly basis and consideration is payable when invoiced. Revenue is recognized over time as the services are provided. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the flying hours spent relative to the total hours agreed in the contract.
Supply of spare parts	The Group provides spare parts of helicopters to its customers. The revenue is recognized point in time when control is transferred, being when the spare parts are delivered to the customer. The revenue is recognized point in time when control is transferred, being when the spare part are delivered to the customer.

Premiums and reinsurance premiums are taken into income over the terms of the policies to which they relate. Gross insurance and reinsurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognized on the date on which the policy commences.

Unearned premiums represent the portion of net premiums written relating to the unexpired period of coverage calculated at actual number of days method (daily pro-rata basis). The change in the provision for unearned premium is taken to the statement of income in order that revenue is recognized over the period of risk.

4.11 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (Note 33).

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the parent company assets and related general and administrative expenses and goodwill recognized on business combination.

4.12 SOCIAL FUND CONTRIBUTION

The Group makes contributions equivalents to 2.5% of the adjusted consolidated net profit for the year into a state social fund for the support of sports, cultural, social and charitable activities. This is presented in the statement of changes of equity as an appropriation of profit in accordance with Law No. 13 of 2008.

4.13 DIVIDEND DISTRIBUTIONS

Dividend distributions are at the discretion of the Group. A dividend distribution to the Group's shareholders is accounted for as a deduction from retained earnings. A declared dividend is recognized as a liability in the period in which it is approved by the shareholders.

4.14 INCOME TAX

In light of the provisions of the new Qatar Income Tax Law No. 24 of 2018 and subsequent Executive Regulations, on 4 February 2020, Qatar Energy (the ultimate parent), Ministry of Finance and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding ("the 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 Qatar based subsidiaries of the group are included in the said MOU according to which, the income tax liability of the Group will ultimately be borne by Ministry of Finance ('MoF"). However, as per the MOU, the subsidiaries are required to calculate the income tax due based on the Group's ownership and pay such income tax amounts directly to the parent company.

The Subsidiaries have accounted for tax expense based on the tax rate applicable in accordance with the Qatar Income Tax Law.

Global Minimum Tax

Management is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax.

The Group mainly operates in Qatar, Turkey, Morocco and Libya.

Through the issuance of its amended Tax Law No. 11 of 2022, the State of Qatar has committed to introducing global minimum tax with minimum effective tax rate of 15%. On 23 December 2024, State of Qatar approved amendments to select provisions of the Income Tax Law promulgated under Law No. 24 of 2018. The amendment to the law is aimed to enable multinational companies to file their tax returns for the Domestic Minimum Top-up Tax (QDMTT) in Qatar. Under the legislation, the group is liable to pay a top-up tax for the difference between the effective tax rate for each jurisdiction and the 15% minimum rate. The amended law is not yet effective for the period ended 31 December 2024.

Management is in process of assessing the impact of this change on future reporting periods.

Current tax

The Company's profits are exempt from income tax in accordance with the provisions of Qatar's Income Tax Law No. 24. of 2018. Current tax in these financial statements comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years related to the subsidiaries of the Group as per the tax laws and relevant subsequent executive regulations applicable in Qatar and overseas jurisdiction as at the reporting date. Refer to Note 30 for further details related to settlement mechanism of the above tax liabilities.

4.15 HYPERINFLATION

The Group has operations in Turkey through its indirect subsidiary namely Redstar Havacilik Hizmetleri AS. 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 the financial statements of the subsidiary are stated in terms of the measuring unit current at the balance sheet date which requires restatement of the non-monetary assets and liabilities of the subsidiary to reflect the changes in the general purchasing power of the Turkish Lira.

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

Adjustment for prior years

The comparative amounts in consolidated financial statements presented in a stable currency are not adjusted for subsequent changes in the price level or exchange rates. Opening equity in the consolidated financial statement reported in the stable currency will be affected by:

- the effect of restating non-monetary items from the date they were first recognized; and
- the effect of translating those balances to the closing rate

This results in a difference between the closing equity of the previous year in the consolidated financial statements and the opening equity of the current year. The combined effect of restating in accordance with IAS 29 and translation according to IAS 21 is presented as a net change in other comprehensive income (OCI)

Adjustment for current year

Monetary assets and liabilities, which are carried at amounts current at the date of consolidated statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of consolidated statement of financial position. Non-monetary assets and liabilities, which are not carried at amounts current at the date of consolidated statement of financial position, and components of owners' equity are restated by applying the relevant conversion factors. Net monetary gain arising from hyperinflation is recognized in the consolidated statement of profit or loss and other comprehensive income. All items in the 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.

(All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

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

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

4.16 LEASES

The leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, if any; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less from the date of contract.

4.17 INSURANCE OPERATIONS

(i) Definition and classification

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").

(ii) Unit of account and measurement model

The Group manages insurance contracts issued by product lines or lines of business within an operating segment, where each product line includes contracts that are subject to similar risks. The segmentation based on business classes reflects the way the business is managed, given that each segment is evaluated separately by senior management resulting in the following portfolios: Medical; Energy/Operational; Engineering; Marine; Liability; Property & Terrorism; and Group Life.

All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into group of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition are not onerous and have no significant possibility of becoming onerous; or (iii) the group of remaining contracts. These profitability groups represent the level of aggregation at which insurance contracts are initially recognized 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group of insurance contracts is one year or less.

The Group 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 Group 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.

Before the Group 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 Group applies IFRS 17 to all remaining components of the contract. The Group 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.

iii) Recognition, derecognition, initial and subsequent measurement

Groups of insurance contracts issued are initially recognized 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; and
- when the Group determines that a group of contracts becomes onerous.

The Group initially recognizes 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 Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognized prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognized at the same time as the group of underlying insurance contracts is recognized.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the group. When contracts meet the recognition criteria in the group after the reporting date, they are added to the group 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 Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Group 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.

An insurance contract is derecognized when it is:

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

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

a. the LRC; and
b. the Liability for Incurred Claims ("LIC"), comprising the fulfilment cash flows ("FCF") related to past service allocated to the Group at the reporting date.

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

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- decreased for the amounts of expected premium receipts recognized as insurance revenue for the services provided in the period; and
- increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses in the reporting period.

For the Liability for Incurred Claims "LIC":

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

- increased for ceding premiums paid in the period;
- decreased for net ceding commissions received in the period;
- decreased for the expected amounts of ceding premiums and ceding commissions recognized as net reinsurance expenses for the services received in the period.

The Group estimates the liability for incurred claims and expenses as the fulfilment cash flows related to incurred claims and expenses. The fulfilment 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 fulfil its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Group presents the entire change in risk adjustment as part of insurance service results.

The Group 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 Group. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

Significant judgements
The main assumption underlying these techniques is that the Group'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. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

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 and levels of claims inflation, 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.

Refer to note 2 for significant judgements and estimates related to the estimates of future cash flows to fulfil insurance contracts under IFRS 17.

The Group 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 Group 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 Group has decided to allow for the time value of money in estimating the Liability for Incurred Claims ("LIC").

The fulfilment cashflows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group 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:
- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- 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 Group'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 Group 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.

(iv) Onerous contracts

The Group 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 Group 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 recognized in insurance service expenses, and a loss component is established for the amount of the loss recognized. 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 recognized 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 recognized in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognized.

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

(v) 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 Group 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 Group has chosen the confidence level of the 55th percentile (2023 - 65th 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.

For the LIC, the risk adjustment was calculated at a portfolio level and then allocated down to each group of contracts in accordance with their risk profiles. The Value at Risk (VAR) method was used to derive the risk adjustment for non-financial risk per portfolio. In the confidence level method, the risk adjustment is determined by selecting the confidence level per portfolio and then determining the overall reserve (best estimate and risk adjustment) at this confidence level - the difference between the overall reserve at the chosen confidence interval and the best estimate reserve is taken to be the risk adjustment. The table below shows the risk adjustments taken on LIC and LRC:

	Risk adjustments on LIC	
Portfolio	**Risk Adjustment 2024**	**Risk Adjustment 2023**
Medical	**4%**	9.1%
Energy	**14.4%**	26.7%
Other portfolios	**14.4%**	26.7%

For the LRC, the risk adjustment for groups of onerous contracts was approximated using a combination of the Group's internal data and regulatory rates, as follows:

	Risk adjustments on LRC	
Portfolio	**Risk Adjustment 2024**	**Risk Adjustment 2023**
Medical	**4%**	16%
Energy	**14.4%**	13%
Other portfolios	**14.4%**	13%

(vi) Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups 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 Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a) the Group 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:
   - the Group 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
   - 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 recognized 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 Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group 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 recognized in other operating expenses as incurred.

vii) 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 fulfilment of the groups of insurance contracts. The Group 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 Group amortises the insurance acquisition costs over the contract period.

viii) Amounts recognized in comprehensive income

(a) Insurance service result from insurance contracts issued

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance 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 year.
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.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

(b) Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

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

(c) 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.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:
a. interest accreted on the LIC; and
b. the effect of changes in interest rates and other financial assumptions.

5. FINANCIAL RISK AND CAPITAL MANAGEMENT

5.1 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

(a) Underwriting risk;
(b) Credit risk;
(c) Liquidity risk; and
(d) Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group and to monitor risks.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Underwriting risk

Underwriting risk comprises insurance risk, policyholder persistency risk and expense risk. The Group manages its underwriting risk based on the underwriting policy as approved by the Executive Risk Committee. The Risk Management Committee monitors the adequate application of the policy, and it reviews the trends in pricing, loss ratios and underwriting risks. The Committee is also involved in decisions made by the Executive Risk Committee on underwriting, pricing and market strategy.

Underwriting risk management – Property and Casualty

The frequency and severity of claims can be affected by several factors. The most significant are the level of awards for morbidity risk (for example, health recovery and incapacity for work) and the number of cases coming to court, especially for bodily injuries. This can be summarised as legislation risk. The amount of awards and the time for court settlement are set by the legislation. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

The Group manages these risks through its underwriting strategy (two of the techniques that are pivotal for automobile insurance are product pricing and portfolio segmentation), adequate reinsurance arrangements and proactive claims handling. The objective of the underwriting strategy is to ensure that the underwritten risks are well diversified in terms of type and amount of risk. The variability of risks is improved by the careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

The Group has limited its exposure by imposing maximum claim amounts on certain contracts, as well as using reinsurance arrangements in order to limit its exposure to aggregate amount of claims (for example, third party liability claims). The effect of such reinsurance arrangements is that the Group should not suffer total insurance losses above a certain level.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, to re-price the risk on renewal, to impose deductibles, and to reject the payment of a fraudulent claim. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

The Group has a specialised claims unit dealing with the mitigation of risks surrounding known claims. This unit investigates and adjusts all material or suspicious claims. The claims are reviewed individually at least annually and adjusted to reflect the latest information on the underlying facts, current law, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims, to reduce its exposure to unpredictable developments.

Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), and deposits with banks and financial institutions, as well as outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks, the group only deals with the reputed banks in the country. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

(ii) Security

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The Group recognises loss allowances for ECLs on:

- Trade receivables;
- Other receivables;
- Other financial assets at amortized cost
- Debt investments measured at FVOCI; and
- Contract assets.

Trade receivables and contract assets

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

	Current (not past due)	**1-90 days past due**	**91–180 days past due**	**181–365 days past due**	**More than 365 days past due**	**Total**
31 December 2024						
Gross carrying amount - trade receivables	**652,661**	**162,872**	**70,678**	**36,583**	**128,336**	**1,051,130**
Gross carrying amount - contract assets	**-**	**-**	**-**	**35,309**	**-**	**35,309**

	Current (not past due)	1-90 days past due	91–180 days past due	181–365 days past due	More than 365 days past due	Total
31 December 2023						
Gross carrying amount - trade receivables (restated)	736,169	67,021	17,262	75,554	57,023	953,029
Gross carrying amount - contract assets	19,784	-	-	-	-	19,784

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments

All of the Group's debt investments at amortized cost and FVOCI are considered to have low credit risk , and the loss allowance recognized during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other financial assets at amortized cost

Other financial assets at amortized cost include short term investments with local banks.

Debt instruments measured at FVOCI

Debt investments at fair value through other comprehensive income (FVOCI) include managed funds and, listed and unlisted debt securities. The loss allowance for debt investments at FVOCI is recognized in profit or loss and reduces the fair value loss otherwise recognized in OCI.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the group.

These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies.

Maturities of financial liabilities

The table below summarizes the maturity profile of the financial liabilities of the Group as at 31 December based on remaining undiscounted contractual obligations.

	Contractual cash flows			
	Less than 6 months	**6 months to 1 year**	**More than 1 year**	**Total**
At 31 December 2024				
Loans and borrowings	**111,276**	**252,779**	**5,250,349**	**5,614,404**
Insurance contract liabilities	**-**	**1,276,410**	**-**	**1,276,410**
Trade and other payables	**605,150**	**-**	**-**	**605,150**
Dividends payable	**42,077**	**-**	**-**	**42,077**
Lease liabilities	**2,000**	**95,043**	**53,949**	**150,992**
Contract liabilities	**85,113**	**-**	**-**	**85,113**
	845,616	**1,624,232**	**5,304,298**	**7,774,146**

	Contractual cash flows			
	Less than 6 months	6 months to 1 year	More than 1 year	Total
At 31 December 2023				
Loans and borrowings (restated)	181,283	181,283	4,085,419	4,447,985
Insurance contract liabilities	351,028	351,028	549,820	1,251,876
Trade and other payables (restated)	668,684	2,163	-	670,847
Dividends payable	47,079	-	-	47,079
Lease liabilities	2,023	3,228	23,134	28,385
Contract liabilities	2,730	-	-	2,730
	1,252,827	537,702	4,658,373	6,448,902

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

5.2 MARKET RISK

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

(a) Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	2024	2023 (restated)
Fixed rate instruments		
Financial assets		
Short term investments and term deposits	467,217	718,793
Variable rate instruments		
Financial liabilities		
Loans and borrowings	5,614,404	4,447,985

Exposure to interest rate risk

Bank deposits are agreed at fixed rates, and hence does not exposes the Group to interest rate risk. Interest bearing loans and borrowings are issued at variable rates, which exposes the Group to cash flow interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(b) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment in equity securities.

The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector. The Group has no significant concentration of price risk.

The Group limits equity price risk by maintaining a diversified portfolio and by continuous monitoring of its investments. The majority of the Groups' equity investments comprise securities quoted on the Qatar Exchange.

A 10% change in the prices of equities, with all other variables held constant, would impact equity and consolidated statement of profit or loss by QR 48.2 million (2023: QR 46.9 million).

(c) Currency risk

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the group entity's functional currency.

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily Qatari Riyal and Turkish Lira, the currencies in which these transactions are primarily denominated are US Dollar and Euro.

The transactions of the Group in the US Dollar bear no foreign currency risk as the US Dollar is pegged with the Qatari Riyal. With respect to Euro, management monitors the exchange rate fluctuations on a continuous basis and makes its effort to limit the transaction in these currencies without causing interruption to its operations.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Qatari Riyals, was as follows:

Net Exposure	2024	2023
Euro	86,207	108,125
Turkish Lira	158,532	271,309
	244,739	108,125

	Increase/ decrease to the QR	Effect on profit before tax
2024	+/- 3%	7,342
2023	+/- 3%	8,139

5.3 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it, in light of economic conditions.

The Group monitors capital using a ratio of 'net debt' to 'equity'. The Group's capital management policy remained unchanged since the previous year.

	2024	2023 (Restated)
Total borrowings (i)	5,614,404	4,447,985
Lease liability	150,992	28,385
Less: Cash and cash equivalents*	(1,198,229)	(1,248,900)
Net debt	4,567,167	3,227,470
Total equity (ii)	4,233,253	3,772,203
Net debt to equity ratio	1.08	0.86

* Cash and cash equivalents and short-term investments.

(i) Total borrowings are defined as short and long-term borrowings (loan and borrowings) as detailed in Note 19.
(i) Total equity includes all capital, retained earnings and reserves of the Group that are managed as capital.

6. PROPERTY AND EQUIPMENT

	Freehold land	Buildings	Rigs	Machineries	Aircraft	Other property and equipment	Capital work-in-progress	Total
Cost:								
As at 1 January 2024 (restated)	90,826	120,015	6,609,881	1,379,583	1,733,543	634,171	197,664	10,765,683
Reclassification	(1,500)	(22,388)	103,523	(416,623)	(9,515)	220,021	(223)	(126,705)
Additions	-	11,078	1,184,528	60,784	175,845	77,094	190,384	1,699,712
Transfers	-	-	-	42,068	43,358	15,155	(100,581)	-
Disposals	-	-	-	-	(2,706)	(400)	-	(3,106)
Disposal of subsidiary	-	(2,304)	-	-	-	(1,060)	-	(3,363)
Write-offs	-	-	-	-	(9,011)	(15,148)	-	(24,160)
Effect of hyperinflation	-	-	-	-	87,639	6,206	5,066	98,911
Effect of movements in exchange rates	-	-	-	-	(42,748)	(3,178)	(3,859)	(49,785)
As at 31 December 2024	89,326	106,401	7,897,932	1,065,812	1,976,405	932,861	288,451	12,357,188
Accumulated depreciation and impairment losses:								
As at 1 January 2024 (restated)	-	61,301	2,671,034	954,756	971,908	534,553	-	5,193,552
Reclassification	-	(20,743)	28,473	(258,205)	-	123,770	-	(126,706)
Depreciation charge for the year	-	3,343	237,904	77,024	74,591	43,775	-	436,637
Disposals	-	-	-	-	(1,180)	(338)	-	(1,518)
Disposal of subsidiary	-	(2,248)	-	-	-	(788)	-	(3,036)
Write-offs	-	-	-	-	(7,285)	(15,027)	-	(22,312)
Effect of hyperinflation	-	-	-	-	15,498	3,171	-	18,669
Effect of movements in exchange rates	-	-	-	-	(8,525)	(1,663)	-	(10,188)
As at 31 December 2024	-	41,653	2,937,411	773,575	1,045,007	687,454	-	5,485,099
Net carrying value:								
As at 31 December 2024	89,326	64,748	4,960,518	292,236	931,398	245,411	288,451	6,872,089

	Freehold land	Buildings	Rigs	Machineries	Aircraft	Other property and equipment	Capital work-in-progress	Total
Cost:								
As at 1 January 2023 (restated)	90,826	172,764	6,573,810	1,347,200	1,670,155	653,289	173,553	10,681,597
Additions	-	986	1,744	105,042	108,773	52,348	64,407	333,300
Transfers	-	-	34,327	367	-	670	(35,364)	-
Disposals	-	-	-	-	(37,440)	(5,002)	(391)	(42,833)
Write-offs	-	-	-	(10,305)	-	(11,979)	-	(22,284)
Effect of hyperinflation	-	-	-	-	68,521	4,069	-	72,590
Effect of movements in exchange rates	-	(268)	-	-	(76,466)	(6,483)	(4,541)	(87,758)
Disposal of a subsidiary	-	(53,467)	-	(62,721)	-	(52,741)	-	(168,929)
As at 31 December 2023 (restated)	90,826	120,015	6,609,881	1,379,583	1,733,543	634,171	197,664	10,765,683
Accumulated depreciation and								
As at 1 January 2023 (restated)	-	105,948	2,469,207	960,667	956,491	562,806	-	5,044,753
Depreciation charge for the year	-	3,037	202,624	51,812	49,812	43,953	-	361,604
Impairment loss (Note 6.3)	-	-	-	-	7,316	-	-	7,316
Disposals	-	-	-	-	(35,611)	(4,478)	-	(40,089)
Write-offs	-	-	(797)	-	(9,508)	(10,714)	-	(21,019)
Effect of hyperinflation	-	-	-	-	14,836	920	-	15,756
Effect of movements in exchange rates	-	(244)	-	-	(11,428)	(3,794)	-	(15,466)
Disposal of a subsidiary	-	(47,440)	-	(57,723)	-	(54,140)	-	(159,303)
As at 31 December 2023 (restated)	-	61,301	2,671,034	954,756	971,908	534,553	-	5,193,552
Net carrying value:								
As at 31 December 2023 (restated)	90,826	58,714	3,938,847	424,827	761,635	99,618	197,664	5,572,131

6.1 FREEHOLD LAND MAINLY COMPRISES OF A PLOT OF LAND ACQUIRED BY AL KOOT INSURANCE AND REINSURANCE COMPANY P.J.S.C. FOR THE PURPOSE OF SETTING UP AN ADMINISTRATIVE AND OPERATIONS OFFICE.

6.2 DEPRECIATION CHARGE FOR THE CONTINUING OPERATIONS FOR THE YEAR HAS BEEN INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS FOLLOWS:

	2024	2023 (Restated)
Cost of sales (Note 26)	426,609	356,959
General and administrative expenses	10,028	4,645
	436,637	361,604

6.3 AIRCRAFT (BELL SERIES)

Management has identified that the Bell series within the aviation segment is becoming technologically obsolete and does not foresee a sustainable stream of revenue. On that basis management has impaired the Bell series within the aviation segment down to its fair value less cost to sell using market prices adjusted for the condition of the aircraft (Level 3). The carrying value of Bell series after the cumulative impairment amounted to QR 19.2 million as of 31 December 2024.

Drilling Rigs

Further as of 31 December 2024 management has carried out an assessment of impairment of its rigs in light of the external indicators, current economic conditions surrounding the oil prices and market rates of such assets. The Group considers each of its drilling rigs within the drilling segment as individual CGUs. The recoverable amount was determined by the Value in Use method which uses the CGUs discounted projected cashflows.

Based on the assessment, recoverable amount of each CGU was found to be more than its carrying value. The impairment model did not identify any impairment losses.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values	Rigs average rate
Average revenue growth rate	Revenue assumptions are contractual when possible, with an average annual revenue growth rate over the forecasted period based on management's expectation of market development and product performance.	0.89%
Pre-tax discount rate	Weighted Average Cost of Capital (WACC)	7.84%

Management has identified that a reasonably possible change in the WACC assumptions for Rigs could cause the carrying amount to exceed the recoverable amount. Reduction in the growth rate by 0.5% will result in an impairment of QR 178 million. The impairment models were not significantly sensitive to other assumptions.

7. DISCONTINUED OPERATIONS

On 22 April 2024, the Group sold its subsidiary in India, United Helicharters Private Limited ("UHPL") and reported it in the financial statements for the six months ended 30 June 2024 as a discontinued operation.

In the period ended 30 June 2023, Amwaj was classified as held for sale and it was subsequently sold (effective 16 October 2023) during the year with interest retained as an equity accounted investee. In compliance with the provisions of International Accounting Standard (IAS 28) 'Investments in associates and joint ventures' a notional purchase price allocation (NPPA) was undertaken as at 31 Dec 2023 to account for the transaction. Based on the provisional NPPA performed, customer contracts of QR 11.6 million, and goodwill of QR 294 million were identified as intangible assets. During the year, management concluded the exercise and no measurement period adjustments were recognized.

Purchase consideration cash outflow as at 16 October	**2023**
Cash consideration	-
Less cash disposed	(127,414)
Net outflow of cash investing activities	(127,414)

Details of the of the subsidiary deconsolidated as at 16 October	**2023**
Consideration - Fair value of retained interest in Amwaj	344,623
Less carrying amount of net assets deconsolidated*	(370,902)
Loss on disposal	(26,279)
Amwaj's profit for the period until deconsolidation	2,042
Loss from discontinued operation	(24,237)

Financial information relating to the discontinued operations for the period to the date of disposal is set out below:

	UHPL	
	31 Dec 2024	31 Dec 2023
	QR.'000	QR.'000
Revenue	-	-
Expenses	-	-
Other income	-	-
Finance income	-	-
Loss before income tax	-	-
Income tax expense	-	-
Loss after income tax of discontinued operation	-	-
Loss on sale of the subsidiary after Income tax	(205)	-
Loss from discontinued operation	(205)	-
Net cash (outflow) / inflow from operating activities	-	-
Net cash (outflow) / inflow from investing activities	-	-
Net cash outflow from financing activities	-	-
Net change in cash generated by the subsidiary	-	-

Details of the of the subsidiary deconsolidated as at 22 April 2024	**2024**
	QR. '000
Consideration received	730
Receivable from UHPL – waived by the Group	(4,997)
Less carrying amount of net liabilities deconsolidated	4,062
Loss on disposal	(205)

8. RIGHT-OF-USE ASSETS

Amounts recognized in the consolidated statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	2024	2023
Buildings	9,532	11,966
Land	13,136	16,420
Rigs	130,578	-
	153,246	28,386

	2024	2023
Balance at 1 January	28,386	49,571
Additions for the year	190,102	28,385
Amortisation during the year	(65,242)	(13,701)
Disposal of subsidiary	-	(35,869)
	153,246	28,386

9. LEASE LIABILITIES

Lease liabilities

1) Amounts recognized in the consolidated statement of financial position

The Group has recorded lease liabilities as below:

	2024	2023
Balance at 1 January	28,385	41,371
Additions for the year	178,999	28,386
Finance cost for the year	6,799	202
Payments made during the year	(63,191)	(6,154)
Disposal of subsidiary	-	(35,420)
	150,992	28,385

	2024	2023
Non-current liabilities	54,928	23,135
Current liabilities	96,064	5,250

2) Amounts recognized in the consolidated statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2024	2023
Interest expense (included in finance cost)	6,799	202
Amortisation of right of use assets	65,242	13,701

10. EQUITY-ACCOUNTED INVESTEES

Name of entity	% of ownership 2024	% of ownership 2023	2024	2023
Amwaj Catering	30%	30%	374,025	349,519
Gulfdrill LLC	0%	50%	-	31,854
Immaterial joint ventures	49%	49%	20,736	8,679
Total equity accounted investees			394,761	390,052

The movement in the equity accounted investees is as follows:

	Amwaj Catering	Gulfdrill L.L.C.	Immaterial joint ventures
Beginning of the year	349,519	31,854	8,679
Profit for the year	35,010	11,604	12,057
Disposal	-	(43,458)	-
Other comprehensive income	6,531	-	-
Amortization of intangibles	(2,486)	-	-
Dividends received	(14,549)	-	-
	374,025	-	20,736

a) Summarized financial information for equity accounted investees

The tables below provide summarised financial information for equity accounted investees and the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position	Amwaj Catering 2024	2023
Current assets		
Cash and cash equivalents	88,713	176,375
Other current assets	435,299	382,424
Total current assets	524,012	558,799
Non-current assets	633,232	706,578
Current liabilities		
Financial liabilities (excluding trade payables)	28,893	219,240
Other current liabilities	309,735	290,002
Total current liabilities	338,628	509,242
Non-current liabilities		
Financial liabilities	6,701	15,305
Other non-current liabilities	128,883	128,240
Total non-current liabilities	135,584	143,545
Net assets	683,032	612,590
Group's share in %	30%	30%
Group's share	204,910	183,777
Intangibles	9,949	12,436
Goodwill	159,165	153,306
Carrying amount	374,024	349,519

Summarised statement of comprehensive income	Amwaj Catering 2024	2023
Revenue	1,387,080	468,330
Interest income	6,516	5,256
Depreciation and amortisation (right of use assets)	(100,692)	(28,304)
Interest expense	(10,974)	(3,078)
Other operating expenses	(1,143,458)	(428,837)
Income tax expense	(21,771)	(160)
Profit for the period	116,701	13,207
Total comprehensive income	138,471	13,207

b) Individually immaterial joint ventures

In addition to the interests in the investments disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	2024	2023
Aggregate carrying amount of individually immaterial joint ventures	8,679	15,155
Aggregate amounts of the Group's share of profit	12,057	981
Dividends received	-	(3,920)
Disposal	-	(3,537)
	20,736	8,679

11. FINANCIAL INVESTMENTS

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

	2024	2023
Investments measured at fair value through profit or loss (FVTPL)		
- Quoted debt securities (i)	143,936	133,094
- Quoted equity securities (i)	207,105	206,527
- Quoted shares in Qatari public shareholding companies	113,044	129,721
- Managed funds	18,382	-
	482,467	469,342
Investments measured at fair value through other comprehensive income (FVOCI)		
- Quoted debt securities (ii)	448,668	334,696
- Managed funds	-	33,251
- Unquoted shares	2	2
	448,670	367,949

(i) These are acquired and incurred principally for the purpose of selling or repurchasing them in the near term or to take advantage of short term market movements.

(ii) Debt securities at FVOCI carry interest rate in the range of 1.38% to 10.75% (2023: 1.38% to 10.75%) and nature between one to nine years. Debt securities carried at FVOCI are presented net off an expected credit loss ("ECL") of QR 4,417,953 (2023: QR 4,511,173).

(ii) 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.

Financial investments are presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current assets - FVOCI	349,445	367,949
Current assets – FVPL	482,467	469,342
Current assets - FVOCI	99,225	-
	931,137	837,291

Movement in provision for financial investments were as follows:

	2024	2023
Balance at 1 January	4,511	4,274
(Reversal)/provision reversed during the year	(94)	237
Balance at 31 December	4,417	4,511

12. INVENTORIES

	2024	2023 (Restated)
Spare parts	492,124	405,486
Less: Provision for slow-moving and obsolete inventories	(53,027)	(53,952)
	439,097	351,534

Inventories consumed during the year are recognized as expenses in 'Cost of sales' (Note 26).
Movement in provision for slow-moving and obsolete inventories during the year were as follows:

	2024	2023
Balance at 1 January	53,952	53,189
Provision made during the year	-	763
Provision utilised during the year	(925)	-
Balance at 31 December	53,027	53,952

The provision for slow-moving and obsolete inventories is included in 'General and administrative expenses' (Note 29).

13. TRADE AND OTHER RECEIVABLES

	2024	2023 (Restated)
Trade receivables	1,051,130	953,029
Contract assets	22,205	6,680
	1,073,335	959,709
Less: Provision for impairment of trade and other receivables	(47,562)	(57,023)
	1,025,773	902,686

Out of the total balance of trade and other receivable, QR 657 million (2023: 637 million) relates to balances due from related parties.

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

	2024	2023
Balance at 1 January	57,023	75,771
Disposal of subsidiary	(9,461)	(20,208)
Provision made during the year	-	1,460
	47,562	57,023

Provision for impairment loss on financial assets is presented in consolidated statement of profit or loss and other comprehensive income and analysed as follows:

	2024	2023
Financial investments (Note 11)	(93)	(237)
Trade and other receivables (Note 13)	-	1,460
Short-term investments	(9)	118
Cash and bank balances (Note 15)	-	-
	(102)	1,341

Contract assets presented in the consolidated statement of financial position as follows:

	2024	2023
Current – presented with trade and other receivable	22,205	6,680
Non-current – presented separately on the face of statement of financial position	13,104	13,104
	35,309	19,784

14. SHORT TERM INVESTMENTS

	2024	2023
Short term investments	467,217	718,793

15. CASH AND BANK BALANCES

	2024	2023
Cash in hand	162	229
Cash at bank		
- Current accounts and call deposits	615,982	529,878
- Fixed and term deposits (1)	114,868	-
	731,012	530,107
Less: Provision for impairment of bank balances	-	-
Cash and cash equivalents as per consolidated statement of cash flows	731,012	530,107

(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.

15.1 OTHER BANK BALANCES

	2024	2023
Cash at banks - restricted for dividend (Note 23)	42,079	47,079
	42,079	47,079

16. SHARE CAPITAL

	2024	2023
Issued and paid-up capital	1,858,409	1,858,409

The Group 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 Group had issued and paid up capital of QR 11,858,409 thousand (2023: QR 11,858,409 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 (2023: 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1). The special share is owned by QatarEnergy and may not be cancelled or redeemed without the consent of the QatarEnergy. The special share grants rights to QatarEnergy as described in its Article of Association.

Special share may be transferred only to the Government, any Government Corporation or any QatarEnergy affiliate. All ordinary shares carry equal rights.

17. RESERVES

(a) Legal reserve

The Articles of Association of the Company states that prior to recommending any dividend for distribution to the Shareholders, the Board shall ensure proper reserves are established in respect of voluntary and statutory reserves considered by the Board to be necessary or appropriate.

(b) General reserve

The general reserve is maintained in accordance with the provisions of the Articles of Association of the Company to meet any unforeseen future events. The balance under this reserve is not available for distribution, except in the circumstances specified in the Articles of Association

(c) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(d) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of quoted debt securities, managed funds and unquoted investments.

18. OTHER CURRENT ASSETS

	2024	2023
Advances to employees	10,172	38,035
Other receivables*	189,842	111,581
	200,014	149,616

*Other receivables mainly comprise advances to vendors, prepayments, accrued interest and accrued income.

19. LOANS AND BORROWINGS

	2024	2023 (Restated)
Loans related to drilling segment (i)	5,421,062	4,421,601
Loans related to aviation segment (ii)	193,342	26,384
	5,614,404	4,447,985

The movements of loans and borrowings were as follows:

	2024	2023 *(Restated)*
Balance at 1 January	4,447,985	4,395,971
Borrowings obtained during the year	1,228,041	20,440
Interest during the year	192,985	218,299
Repaid during the year	(254,607)	(193,374)
Movement in unamortized finance costs	-	6,649
Balance at 31 December	5,614,404	4,447,985

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Gulf International Services QSC

Gulf International Services Q.P.S.C.

Presented in the consolidated statement of financial position as follows:

	2024	2023 (Restated)
Non-current liabilities	**5,265,850**	4,179,883
Current liabilities	**348,554**	268,102
	5,614,404	4,447,985

(i) These borrowings are related to the Group's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. The facilities bear interest rate of 3.3% and QCB rate +0.6%. Most of these loans are to be repaid in quarterly instalments. The loans obtained by GDI are unsecured.

In March 2023, the Group renegotiated its existing loan facilities and obtained 2 new loan facilities of QR 4,132 million from local banks. The loans will be repaid in 18 unequal annual instalments commencing from 2026 and a balloon payment of 35% upon maturity in 2048. During the year GDI entered into a new loan agreement to finance the consideration payable pursuant to assets purchase agreement of drilling rigs and any costs associated with the transaction.

The refinancing did not result in any extinguishment gain/loss. However, transaction cost of QR 21 million relating to the new facility was recognized in the statement of profit or loss and other comprehensive income during the previous year.

Ine June 2024, the group obtained a new loan facility of QAR 1,106 million from a financial institution to finalize the consideration payable pursuant to asset purchase agreement of drilling rigs and any cost associated with the transaction. The loan will be repaid in 40 quarterly installments commencing from June 2024.

(ii) The borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC had entered into a borrowing facility to finance the purchase of helicopters. The facility had an interest rate of SOFR plus 1.35% - 2.75% (2023: LIBOR plus 1.35% - 2.75%). During the year GHC has entered into new loan agreement to finance the purchase of helicopters, the facility has an interest rate of 3 months SOFR plus agreed margin.

The Group's loans are denominated in US Dollars.

The group is not in breach of its covenants as at 31 December 2024.

The maturity profiles of the loans are as follows:

At 31 Dec 2024	Year of maturity	1 year	1 – 5 years	>5 years	Total
Loans related to drilling segment (i)	2025-2048	**275,773**	**840,437**	**4,304,852**	**5,421,062**
Loans related to aviation segment (ii)	2025-2031	**31,002**	**137,595**	**24,745**	**193,342**
		306,775	**978,032**	**4,329,597**	**5,614,404**

20. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2024	2023
Balance at 1 January	**80,668**	112,028
Provision made during the year	**17,680**	16,236
Payments made during the year	**(21,733)**	(15,571)
Disposal of subsidiary	**-**	(32,025)
Balance at 31 December	**76,615**	80,668

The provision for employees' end of service benefits is included in salaries and other benefits in the consolidated statement of profit or loss and other comprehensive income.

21. TRADE AND OTHER PAYABLES

	2024	2023 (Restated)
Trade payables	**309,014**	420,007
Accrued expenses	**246,926**	240,901
Deposits	**123**	149
Accrued social fund contribution	**49,087**	9,790
	605,150	670,847

Out of the total balance of trade and other payables, QR 30 million (2023: 9 million) relates to balances due to related parties.

22. CONTRACT LIABILITIES

Contract liabilities include payments received for mobilization activities which are allocated to the overall performance obligation and recognized ratably over the initial term of the contract. Contract liabilities also include expected costs to be incurred for demobilization activities which are estimated at the contract inception and accrued over the expected contract period. Such accrued expected costs are recorded as contract liabilities.

Contract liabilities are presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current liabilities	**15,289**	2,730
Current liabilities	**69,824**	-
	85,113	2,730

23. DIVIDENDS

The Board of Directors has proposed a final cash dividend of QR 0.17 per share amounting to QR 315.9 million for the year ended 31 December 2024 (2023: QR 278.8 million). The proposed final cash dividend for the year ended 31 December 2024 will be submitted for formal approval at the Annual General Meeting.

During the period, the shareholders approved dividend amounting to QAR 0.15 per share. Below is the movement in dividends payable during the year:

	2024	2023
Balance at 1 January	**47,079**	48,619
Dividends declared during the year	**278,762**	185,841
Dividends paid during the year	**(283,764)**	(187,381)
Balance at 31 December	**42,077**	47,079

24. 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 Party Disclosures".

The balances with related parties as at the year-end and the transactions during the year, are disclosed as follows:

(a) Transactions with related parties

Transaction with related parties during the year are as follows:

Name of the entity	Relationship	2024 Revenue	2024 Expenses	2023 Revenue	2023 Expenses
QatarEnergy	Shareholder	**1,471,440**	**282,799**	1,070,393	30,659
Qatar Petrochemical Company (QAPCO) Q.P.J.S.C.	Other related party	**550,566**	**1,337**	189,301	345
Gulfdrill L.L.C.	Joint venture	**147,420**	**-**	32,191	47,770
North Oil Company	Other related party	**103,587**	**-**	71,499	-
Qatar Fertiliser Company (QAFCO) Q.P.S.C.	Other related party	**41,092**	**10,369**	53,738	3,735
Qatar Fuel Company (WOQOD) Q.P.S.C.	Other related party	**31,589**	**-**	11,723	-
Oryx GTL Limited	Other related party	**12,786**	**-**	113,926	-
QatarEnergy LNG	Other related party	**-**	**-**	310,590	-
Others	Other related party	**84,667**	**121,440**	91,921	58,967
		2,443,147	**415,945**	1,945,282	141,476

(b) Due from related parties – Trade receivables

Name of the entity	Relationship	2024	2023
QatarEnergy	Shareholder	**214,577**	257,658
Qatar Energy LNG	Other related party	**411,022**	128,410
Gulfdrill L.L.C.	Subsidiary (previously joint venture)	**-**	227,263
North Oil Company	Other related party	**29,041**	17,672
Others	Other related party	**2,370**	5,647
		657,010	636,650

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

(c) Due to related parties – Trade payables

Name of the entity	Relationship	2024	2023
QatarEnergy	Shareholder	**6,976**	8,590
Amwaj	Equity investee	**14,823**	19,691
Qatar Fuel Company (WOQOD) Q.P.S.C.	Other related party	**4,569**	5,215
Others (1)	Other related parties	**3,556**	3,490
		29,924	36,986

Other related parties represent entities controlled or jointly controlled by QatarEnergy (shareholder).

(1) This includes balance pertaining to accruals of Board of Directors' retainer and attendance allowance.
(2) Except (1), above balances are of trading nature, bear no interest or securities and are payable on demand.

(d) Remuneration of key management personnel

	2024	2023
Board of Directors allowances*	**3,800**	3,800
Other key management personnel	**17,923**	20,850

*This amount only includes the board of directors' allowances for the Group company.

25. REVENUE

25.1 REVENUE FROM CONTRACT WITH CUSTOMERS

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

(a) Revenues from contracts with customers

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

	2024	2023
***Revenue from drilling and related services**		
Drilling services	**1,572,946**	1,018,754
Management services	**170,958**	310,590
	1,743,904	1,329,344
***Revenue from aviation services**		
Transportation services	**1,026,145**	909,685
Operation services	**64,014**	80,838
Supply of spare parts	**77,844**	42,133
Trainings services	**5,418**	2,591
	1,173,421	1,035,247
	2,917,325	2,364,591

	2024	2023
***Revenue by geographic locations**		
Qatar	**2,283,645**	1,926,140
Turkiye	**351,983**	301,547
Others	**281,697**	136,904
	2,917,325	2,364,591

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts:

	2024	2023
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at 31 December	**2,687,083**	2,070,710

Management expects that 53% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2024 will be recognized as revenue during the next reporting period (QAR 1.4 billion). The 26% (QAR 0.7 billion) will be recognized in the 2026 financial year and remaining 21 % (QR 0.6 billion) will be recognized in the following years.

All other contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

25.2 INSURANCE AND REINSURANCE CONTRACTS

25.2.1 Analysis by remaining coverage and incurred claims for reinsurance contracts

Year ended 31 December 2024 – Liability for remaining coverage (LRC)

	Excluding loss component Medical	Excluding loss component Energy	Excluding loss component Other	Loss component Medical	Loss component Energy	Loss component Other	Intercompany Revenue	Total
Insurance contracts issued:								
Opening insurance contract liabilities	3,265	98,753	84,238	52,854	-	77	-	239,187
Insurance revenue	(637,071)	(365,636)	(237,068)	-	-	-	3,468	(1,236,307)
Insurance service expenses								
Amortisation of insurance acquisition cash flows	18,680	22,449	14,842	-	-	-	-	55,971
Reversal of losses of onerous contract	-	-	-	(13,502)	-	307	-	(13,195)
Insurance service expenses	18,680	22,449	14,842	(13,502)	-	307	-	42,776
Insurance service result	(618,391)	(343,187)	(222,226)	(13,502)	-	307	3,468	(1,193,531)
Total changes in the statement of profit or loss	(618,391)	(343,187)	(222,226)	(13,502)	-	307	3,468	(1,193,531)
Cash flows								
Premiums received	566,667	355,128	246,445	-	-	-	-	1,168,240
Insurance acquisition cash flows paid	(17,202)	(16,347)	(16,958)	-	-	-	-	(50,507)
Total cash flows	549,465	338,781	229,487	-	-	-	-	1,117,733
Closing insurance contract liabilities	65,661	94,347	91,499	39,352	-	384	-	159,921

Year ended 31 December 2024 – Liability for incurred claims (LIC)

	Estimate of present value of cash flows Medical	Estimate of present value of cash flows Energy	Estimate of present value of cash flows Other	RA for non-financial risk Medical	RA for non-financial risk Energy	RA for non-financial risk Other	Total
Insurance contracts issued:							
Opening insurance contract liabilities	206,211	319,562	304,757	18,703	85,111	78,347	1,012,691
Insurance service expenses							
Incurred claims and other directly attributable expenses	403,054	62,481	30,704	7,174	8,170	3,868	515,451
Changes that relate to past service - adjustments to the LIC	201,071	126,961	58,736	(18,456)	(29,658)	(43,208)	295,446
Insurance service expenses	604,125	189,442	89,440	(11,283)	(21,488)	(39,340)	810,896
Insurance service result	604,125	189,442	89,440	(11,283)	(21,488)	(39,340)	810,896
Finance expenses from insurance contracts issued	8,026	10,940	14,698	656	4,021	3,936	42,277
Total changes in the statement of profit or loss	612,151	200,382	104,138	(10,627)	(17,467)	(35,403)	853,174
Cash flows							
Claims and other directly attributable expenses paid	(615,935)	(36,917)	(96,521)	-	-	-	(749,373)
Total cash flows	(615,935)	(36,917)	(96,521)	-	-	-	(749,373)
Closing insurance contract liabilities	202,427	483,027	312,377	8,076	67,644	42,943	1,116,494

25.2.2 Analysis by remaining coverage and incurred claims for insurance contracts

Year ended 31 December 2023 – Liability for remaining coverage (LRC)

	Excluding loss component Medical	Excluding loss component Energy	Excluding loss component Other	Loss component Medical	Loss component Energy	Loss component Other	Intercompany Revenue	Total
Insurance contracts issued:								
Opening insurance contract liabilities	(11,059)	83,914	40,677	5,977	63	7	-	119,579
Insurance revenue	(579,521)	(404,534)	(193,104)	-	-	-	3,260	(1,173,899)
Insurance service expenses								
Amortisation of insurance acquisition cash flows	16,230	32,311	12,120	-	-	-	-	60,661
Losses of onerous contract	-	-	-	46,877	(63)	70	-	46,884
Insurance service expenses	16,230	32,311	12,120	46,877	(63)	70	(3,260)	104,285
Insurance service result	(563,291)	(372,222)	(180,985)	46,877	(63)	70	-	(1,069,614)
Total changes in the statement of profit or loss	(563,291)	(372,222)	(180,985)	46,877	(63)	70	-	(1,069,614)
Cash flows								
Premiums received	592,952	405,511	239,131	-	-	-	-	1,237,594
Insurance acquisition cash flows paid	(15,337)	(18,450)	(14,585)	-	-	-	-	(48,372)
Total cash flows	577,615	387,061	224,546	-	-	-	-	1,189,222
Closing insurance contract liabilities	3,265	98,753	84,238	52,854	-	77	-	239,187

Year ended 31 December 2023 – Liability for incurred claims (LIC)

	Estimate of present value of cash flows Medical	Estimate of present value of cash flows Energy	Estimate of present value of cash flows Other	RA for non-financial risk Medical	RA for non-financial risk Energy	RA for non-financial risk Other	Total
Insurance contracts issued:							
Opening insurance contract liabilities	164,838	479,181	235,448	18,132	42,493	20,033	960,125
Insurance service expenses							
Incurred claims and other directly attributable expenses	368,746	5,447	22,161	16,429	80	4,818	417,681
Changes that relate to past service - adjustments to the LIC	169,495	47,934	71,380	(16,562)	40,507	52,173	364,927
Insurance service expenses	538,241	53,381	93,541	(133)	40,587	56,991	782,608
Insurance service result	538,241	53,381	93,541	(133)	40,587	56,991	782,608
Finance expenses from insurance contracts issued	6,185	23,303	11,369	704	2,031	1,322	44,914
Total changes in the statement of profit or loss	544,426	76,684	104,909	571	42,618	58,313	827,522
Cash flows							
Claims and other directly attributable expenses paid	(503,053)	(236,303)	(35,601)	-	-	-	(774,957)
Total cash flows	(503,053)	(236,303)	(35,601)	-	-	-	(774,957)
Closing insurance contract liabilities	206,211	319,561	304,757	18,703	85,111	78,346	1,012,689

Year ended 31 December 2024 – Liabilities for remaining coverage (LRC)

	Excluding loss component Medical	Excluding loss component Energy	Excluding loss component Other	Loss component Medical	Loss component Energy	Loss component Other	Total
Reinsurance contracts held:							
Opening reinsurance contract liabilities	(896,826)	4,644	40,584	20,595	-	70	(830,933)
Reinsurance service expenses							
Reinsurance expenses	(241,186)	(246,433)	(189,816)	-	-	-	(677,435)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	(7,106)	-	46	(7,060)
Net expense from reinsurance contracts held	(241,186)	(246,433)	(189,816)	(7,106)	-	46	(684,495)
Total changes in the statement of profit or loss	(241,186)	(246,433)	(189,816)	(7,106)	-	46	(684,495)
Cash flows	-	-	-	-	-	-	-
Premiums ceded cash flows paid	(47,058)	255,918	186,237	-	-	-	395,097
Total cash flows	(47,058)	255,918	186,237	-	-	-	395,097
Closing reinsurance contract liabilities	(1,185,070)	14,129	37,005	13,489	-	117	(1,120,331)

Year ended 31 December 2024 – Asset for incurred claims (AIC)

	Estimate of present value of cash flows Medical	Estimate of present value of cash flows Energy	Estimate of present value of cash flows Other	RA for non-financial risk Medical	RA for non-financial risk Energy	RA for non-financial risk Other	Total
Reinsurance contracts held:							
Opening reinsurance contract assets	1,003,297	213,178	258,322	8,106	56,566	67,129	1,606,598
Reinsurance service expenses							
Amounts recoverable for incurred claims and other expenses	120,279	42,920	20,187	3,670	6,355	2,999	196,410
Changes that relate to past service adjustment to amounts recoverable for incurred claims	59,292	122,844	62,186	(7,658)	(10,809)	(34,754)	191,101
Net expense from reinsurance contracts held	179,571	165,764	82,373	(3,988)	(4,454)	(31,755)	387,511
Finance income from reinsurers contracts held	39,824	6,382	12,222	335	2,660	3,361	64,784
Effect of changes in non-performance risk of reinsurers	(1,499)	(89)	(18)	-	-	-	(1,606)
Total changes in the statement of profit or loss	217,896	172,057	94,577	(3,653)	(1,794)	(28,394)	450,689
Cash flows							
Recoveries from reinsurance	(363)	(15,300)	(83,650)	-	-	-	(99,313)
Total cash flows	(363)	(15,300)	(83,650)	-	-	-	(99,313)
Closing reinsurance contract assets	1,220,830	369,935	269,249	4,453	54,772	38,735	1,957,974

Year ended 31 December 2023 – Liabilities for remaining coverage (LRC)

	Excluding loss component Medical	Excluding loss component Energy	Excluding loss component Other	Loss component Medical	Loss component Energy	Loss component Other	Total
Reinsurance contracts held:							
Opening reinsurance contract liabilities	(719,227)	16,860	(9,529)	2,933	28	3	(708,932)
Reinsurance service expenses							
Reinsurance expenses	(247,980)	(270,050)	(143,365)	-	-	-	(661,395)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	17,663	(28)	67	17,702
Net expense from reinsurance contracts held	(247,980)	(270,050)	(143,365)	17,663	(28)	67	(643,693)
Total changes in the statement of profit or loss	(247,980)	(270,050)	(143,365)	17,663	(28)	67	(643,693)
Cash flows							
Premiums ceded cash flows paid	70,381	257,834	193,475	-	-	-	521,690
Total cash flows	70,381	257,834	193,475	-	-	-	521,690
Closing reinsurance contract liabilities	(896,826)	4,644	40,582	20,595	-	70	(830,935)

Year ended 31 December 2023 – Asset for incurred claims (AIC)

	Estimate of present value of cash flows Medical	Estimate of present value of cash flows Energy	Estimate of present value of cash flows Other	RA for non-financial risk Medical	RA for non-financial risk Energy	RA for non-financial risk Other	Total
Reinsurance contracts held:							
Opening reinsurance contract assets	787,544	353,443	181,594	7,032	31,927	15,839	1,377,379
Reinsurance service expenses							
Amounts recoverable for incurred claims and other expenses	168,055	3,072	25,752	7,322	352	5,284	209,837
Changes that relate to past service adjustment to amounts recoverable for incurred claims	71,974	22,923	60,920	(6,542)	22,845	44,886	217,006
Net expense from reinsurance contracts held	240,029	25,995	86,672	780	23,197	50,170	426,843
Finance income from reinsurers contracts held	25,245	16,429	9,275	295	1,442	1,121	53,807
Effect of changes in non-performance risk of reinsurers	408	432	150	-	-	-	990
Total changes in the statement of profit or loss	265,682	42,856	96,097	1,074	24,639	51,291	481,639
Cash flows							
Recoveries from reinsurance	(49,929)	(183,121)	(19,368)	-	-	-	(252,418)
Total cash flows	(49,929)	(183,121)	(19,368)	-	-	-	(252,418)
Closing reinsurance contract assets	1,003,297	213,178	258,323	8,107	56,566	67,130	1,606,601

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Gulf International Services QSC

Gulf International Services Q.P.S.C.

26. Cost of sales

	2024	2023 (Restated)
Staff salaries and related costs	**717,522**	697,292
Depreciation of machinery, property and equipment	**426,609**	356,959
Depreciation of Right of use assets	**62,808**	3,498
Other Direct costs	**864,777**	717,298
	2,071,716	1,775,047

27. Other income

	2024	2023
Rental income	**5,011**	8,862
Income tax benefit recognized pursuant to MOU	**185**	5,723
Profit distribution from managed investment funds	**-**	1,655
Dividend income	**23,064**	4,928
Gain on settlement of pre-existing lease contracts	**6,327**	-
Gain on equity-accounted investee	**7,985**	-
Miscellaneous income	**7,088**	26,095
	49,660	47,263

28. Other losses

	2024	2023
Net foreign exchange gains/(losses)	**40,250**	17,896
Amortization of intangibles	**2,487**	-
Miscellaneous	**335**	1,367
	43,072	19,263

This majorly includes net foreign exchange loss.

29. General and administrative expenses

	2024	2023
Salaries and other benefits	**99,039**	97,307
Depreciation and amortization	**12,463**	4,645
Legal and professional expenses	**33,370**	42,350
Service fees	**4,202**	7,414
Public relations and advertisement expenses	**2,089**	3,454
Communication expenses	**1,203**	863
Board of Directors' allowances	**3,800**	3,800
Repairs and maintenance expenses	**2,058**	1,406
Travel expenses	**1,218**	1,859
Qatar Exchange and QCSD expense	**411**	1,024
Printing and stationery expenses	**296**	331
Miscellaneous expenses	**38,812**	28,095
	198,961	192,548

The Group incurred the below fees from the auditor of the Group (PricewaterhouseCoopers) for the year:

	2024	2023
Audit fee	**1,628**	1,366
Other assurance services	**149**	400
Total recurring Group fees	**1,777**	1,766

30. Income tax

In light of the provisions of the new Qatar Income Tax Law No. 24 of 2018 and subsequent Executive Regulations, on 4 February 2020, Qatar Energy (the ultimate parent), Ministry of Finance and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding ("the 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 Qatar based subsidiaries of the group are included in the said MOU according to which, the income tax liability of the Group will ultimately be borne by Ministry of Finance ('MoF"). However, as per the MOU, the subsidiaries are required to calculate the income tax due based on the Group's ownership and pay such income tax amounts directly to the parent company.

In February 2024, the Group agreed with General Tax Authority (GTA) on the change in the tax base of under Income Tax Law No. 24 of 2018 (as amended) by Law No. 11 of 2022, resulting in the adoption of 100% tax base by all of GIS subsidiaries and affiliates. This is effective for all of the Group's subsidiaries and affiliates from the period beginning on or after 1 January 2023. Accordingly, the Group has accounted for income tax for the year ended 31 December 2024 using the effective rate of 10% (2023: 10%).

Under the provisions of MOU, the Group has not recorded any tax expense or income and presented the effect on a net basis for the Group's subsidiaries and affiliates in Qatar. The prior period comparatives being immaterial have not been re-presented.

The Group has accounted for the tax expense relating to the current and deferred tax liabilities of Group's foreign subsidiaries amounting to QR 18.18 million in the statement of profit or loss as detailed below:

	2024	2023
Current tax expense / (income):		
Current period charge	**13,805**	6,287
Deferred tax charge	**4,375**	2,794
	18,180	9,081

In the year 2023, GIS, became a party to an all share exchange agreement, between Tamween Capital W.L.L, Abela Qatar International and GIS have agreed to bear the tax expense on the operations of Amwaj Catering Services Limited. This constitutes a financial liability under IFRS 9, however, Management expect the impact of this to be immaterial as at 31 Dec 2024 as it expects the newly acquired entities to be included within the MOU. No liability has therefore been recorded in the financial statements in this respect as at 31 Dec 2024.

31. Earnings per share

Basic earnings per share has been calculated by dividing the profit for the year 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.

	2024	2023 (Restated)
Profit attributable to owners of the Group	**711,000**	366,283
Weighted average number of ordinary shares outstanding at 31 December (in shares) (Note 16)	**1,858,408,690**	1,858,408,690
Basic and diluted earnings per share (expressed in QR per share) from continuing operations	**0.383**	0.211
Basic and diluted earnings per share (expressed in QR per share) from discontinued operations	**(0.000)**	(0.013)

Basic and diluted earnings per share from profit attributable to shareholders of the Company for the prior year have also been restated. The amount of the correction for basic and diluted earnings per share was a decrease of 0.014 cents per share.

32. Commitments

Commitments

	2024	2023
Capital commitments	**566,492**	730,212

These relates to the commitments for the acquisition of seven AW 139 aircraft, upgradation of AW 139 and AW 189 simulators. The helicopters will be delivered, and the commitments will fall due over the next 3 years.

33. Operating segments

The Group has three reportable segments, as described below. The segments offer different 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. The aviation segment includes the information relating to Gulf Helicopters Company and its subsidiaries and joint ventures.
Drilling	Provides drilling and ancillary services in Qatar.

For the year ended and as at 31 December 2024	**Insurance**	**Aviation**	**Drilling**	**Amwaj Equity Accounting - Catering**	**Discontinued operations**	**Head office and Intercompany elimination**	**Total**
Timing of revenue recognition							
At a point in time	-	499,259	-	-	-	-	499,259
Over time	-	674,162	1,743,904	-	-	-	2,418,066
Insurance revenue	1,239,775	-	-	-	-	-	1,239,775
Segment revenue	1,239,775	1,173,422	1,743,904	-	-	-	4,157,101
Inter-segment revenue	(3,469)	-	-	-	-	-	(3,469)
External revenues	1,236,306	1,173,422	1,743,904	-	-	-	4,153,632
Segment profit before tax	137,593	303,674	248,199	-	-	39,918	729,385
Adjusted EBITDA	79,767	409,595	823,581			24,067	1,337,011
Finance income	104,744	8,050	-	-	-	23,520	136,314
Finance costs	(42,277)	(4,647)	(195,137)	-	-	-	(242,061)
Depreciation and amortization	(4,641)	(109,324)	(380,245)	-	-	(7,669)	(501,879)
Cost of sales	(1,150,654)	(809,723)	(1,257,830)	-	-	292,819	(2,925,388)
General and administrative expenses	(37,235)	(68,873)	(79,050)	-	-	(13,805)	(198,963)
Other Income	6,655	11,165	25,043	-	-	6,797	49,660
Other gains/(losses) – net	-	(39,542)	(335)	-	-	(3,195)	(43,072)
Income tax expense	(20,406)	(58,834)	8,927	-	-	52,133	(18,180)
Other material non-cash items:							
Provision of impairment losses on financial assets	102	-	-	-	-	-	102
Impairment loss on property and equipment	-	-	-	-	-	-	-
Other information							-
Share of results and impairment losses from equity accounted investees	-	12,057	11,604	35,010	-	-	58,671
Investments in equity accounted investees							
(b) Adjusted EBITDA							
Adjusted EBITDA reconciles to operating profit before income tax as follows:	79,767	409,595	823,581	-	-	24,067	1,337,011
Total Adjusted EBITDA	104,744	8,050	-	-	-	23,520	136,314
Finance income	(42,277)	(4,647)	(195,137)	-	-	-	(242,061)
Finance costs	(4,641)	(109,324)	(380,245)	-	-	(7,669)	(501,879)
Depreciation and amortisation	79,767	409,595	823,581	-	-	24,067	1,337,011
Profit before income tax from continuing operations	137,593	303,674	248,199	35,010	-	39,918	729,385

For the year ended and as at 31 December 2023 (restated)	**Insurance**	**Aviation**	**Drilling** (Restated)	**Amwaj Equity Accounting - Catering**	**Discontinued operations**	**Head office and Intercompany elimination**	**Total** (Restated)
Timing of revenue recognition							
At a point in time	-	42,133	-	-	-	-	42,133
Over time	-	993,114	1,329,344	-	-	-	2,322,458
Insurance revenue	1,177,159	-	-	-	-	-	1,177,159
Segment revenue	1,177,159	1,035,247	1,329,344	-	-	-	3,541,750
Inter-segment revenue	(3,260)	-	-	-	-	-	(3,260)
External revenues	1,173,899	1,035,247	1,329,344	-	-	-	3,538,490
Segment profit before tax	102,657	343,461	(63,376)	4,896	(24,237)	11,793	375,194
Adjusted EBITDA	65,325	415,185	416,057	-	-	(19,104)	877,463
Finance income	86,591	11,810	189	-	-	30,142	128,732
Finance costs	(44,914)	(1,441)	(217,060)	-	-	(3,500)	(266,915)
Depreciation and amortization	(4,345)	(82,093)	(262,562)	-	-	(15,086)	(364,086)
Cost of sales	(1,103,743)	(627,952)	(1,126,104)	-	-	(5,469)	(2,863,268)
General and administrative expenses	(32,824)	(66,734)	(71,939)	-	-	(21,051)	(192,548)
Other Income	6,588	13,076	16,905	-	-	10,694	47,263
Other gains/(losses) – net	-	(17,142)	(1,369)	-	-	(752)	(19,263)
Income tax expense	(2,380)	(6,701)	-	-	-	-	(9,081)
Other material non-cash items:							
Provision of impairment losses on financial assets	119	(1,460)	-	-	-	-	(1,341)
Impairment loss on property and equipment	-	-	(2,202)	-	-	-	(2,202)
Other information							
Share of results and impairment losses from equity accounted investees	-	981	18,921	4,896	-	-	24,798
Investments in equity accounted investees	-	8,679	31,854			349,519	390,052
(b) Adjusted EBITDA				-			
Adjusted EBITDA reconciles to operating profit before income tax as follows:							
Total Adjusted EBITDA	65,325	415,185	416,057	-	-	(19,104)	877,463
Finance income	86,591	11,810	189	-	-	30,142	128,732
Finance costs	(44,914)	(1,441)	(217,060)	-	-	(3,500)	(266,915)
Depreciation and amortisation	(4,345)	(82,093)	(262,562)	-	-	(15,086)	(364,086)
Profit before income tax	102,657	343,461	(63,376)	-	-	(7,548)	375,194

The above balances have been restated in line with the restatements detailed in Note 38.

34. Finance costs

34.1 Finance income

	2024	2023
Interest income	**73,137**	70,436
	73,137	70,436

34.2 Finance costs

	2024	2023 (Restated)
Finance charges paid for lease liabilities	**6,799**	202
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	**192,985**	218,299
	199,784	218,501

35. 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.

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:

	FVTPL	FVOCI	Amortized cost	Total Carrying value	Fair value
31 December 2024					
Assets					
Cash and bank balances and other bank balances	-	-	773,091	773,091	773,091
Short-term investments	-	-	467,217	467,217	467,217
Trade and other receivables	-	-	1,025,773	1,025,773	1,025,773
Financial investments	464,085	467,052	-	931,137	931,137
	464,085	467,052	2,266,082	3,197,219	3,197,219
Liabilities					
Loans and borrowings	-	-	5,614,404	5,614,404	5,614,404
Trade and other payables	-	-	605,150	605,150	605,150
Dividends payable	-	-	42,077	42,077	42,077
	-	-	6,261,631	6,261,631	6,261,631

	FVTPL	FVOCI	Amortized cost	Total Carrying value	Fair value
31 December 2023					
Assets					
Cash and bank balances and other bank balances	-	-	577,186	577,186	577,186
Short-term investments	-	-	718,793	718,793	718,793
Trade and other receivables (restated)	-	-	902,686	902,686	902,686
Financial investments	469,343	367,949	-	837,292	837,292
	469,343	367,949	2,198,665	3,035,957	3,035,957
Liabilities					
Loans and borrowings	-	-	4,447,985	4,447,985	4,447,985
Trade and other payables (restated)	-	-	670,847	670,847	670,847
Dividends payable	-	-	47,079	47,079	47,079
	-	-	5,165,911	5,165,911	5,165,911

Fair value hierarchy

The fair value of financial instruments approximates their carrying values.

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that is not based on observable market data.

At the reporting date, the Group held the following financial investments measured at fair value.

	Level 1	Level 2	Level 3	Total
31 December 2024				
Assets measured at fair value				
Financial investments at FVTPL	**464,085**	-	**18,382**	**482,467**
Financial investments at FVOCI	**448,668**	-	**2**	**448,670**
	912,753	-	**18,384**	**931,137**
31 December 2023				
Assets measured at fair value				
Financial investments at FVTPL	367,949	-	-	367,949
Financial investments at FVOCI	469,343	-	-	469,343
	837,292	-	-	837,292

During the year ended 31 December 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

36. Separate financial statements

This note provides certain information related to the Group 's unconsolidated financial position, and profit or loss and other comprehensive income as at and for the year ended 31 December 2024 and its comparative year. The complete set of separate financial statements of the Group prepared in accordance with International Accounting Standard 27 'Separate Financial Statements' (IAS 27) are issued separately. This information is provided only to assist the Group in its reporting to the Qatar Financial Markets Authority (Internal Control Over Financial Reporting ("ICOFR")).

(a) Separate statement of financial position

	2024	2023
ASSETS		
Non-current assets		
Investment properties	**223,508**	225,300
Furniture and fittings	**237**	114
Investment in equity accounted investee	**34,624**	344,624
Investments in subsidiaries	**2,387,215**	2,077,215
Loan to subsidiary	**107,653**	-
Total non-current assets	**2,753,237**	2,647,253
Current assets		
Prepayments and other receivables	**8,363**	6,728
Due from related parties	**70,351**	5,820
Financial investments	**31,009**	31,787
Other bank balances	**42,077**	47,079
Cash and cash equivalents	**403,129**	498,411
Total current assets	**554,929**	589,825
TOTAL ASSETS	**3,308,166**	3,237,078

	2024	2023
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**1,858,409**	1,858,409
Legal reserve	**23,928**	23,928
Retained earnings	**1,351,736**	1,279,168
Total equity	**3,234,072**	3,161,505
LIABILITIES		
Current liabilities		
Dividends payable	**42,077**	47,079
Trade and other payables	**20,981**	16,684
Due to related parties	**11,036**	11,810
Total current liabilities	**74,094**	75,573
Total liabilities	**74,094**	75,573
TOTAL EQUITY AND LIABILITIES	**3,308,166**	3,237,078

(b) Separate statement of profit or loss and other comprehensive income

	2024	2023
Dividend income	**291,022**	263,115
Other income	**72,890**	18,201
Other expenses	**(1,486)**	(752)
General and administrative expenses	**(16,844)**	(25,361)
Loss on disposal of a subsidiary	**-**	(82,559)
Operating profit	**345,582**	172,644
Finance income	**23,520**	26,642
Profit for the year	**369,102**	199,286
Other comprehensive income	**-**	-
Total comprehensive income for the year	**369,102**	199,286
Earnings per share		
Basic and diluted unconsolidated earnings per share (Qatari Riyal)	**0.199**	0.107
Basic and diluted consolidated earnings per share (Qatari Riyal)	**0.383**	0.197

37. Acquisition of assets and liabilities

On 25 June 2024, the Company purchased from Seadrill Jack Up Holding Ltd. (former joint venture partner), the residual interest of 50% in Gulfdrill LLC. As a result of the transaction, the holding changed from 50% joint venture interest to 100% owned subsidiary of Gulf Drilling International Limited (Qatari Private Shareholding Company). Accordingly, the previously held interest of QAR 42.4 million in Gulfdrill LLC was derecognized and a fair value gain of QAR 7.9 million was recognized as the difference between the carrying value of the previously held interest in the former joint venture and its fair value.

Since almost all of the fair value of the acquired assets and liabilities were concentrated in a group of assets i.e., the 3 rigs purchased and the right of use asset for 2 rigs recorded in Gulfdrill LLC, the transaction was recorded as an asset acquisition.

Further, Gulf Drilling International Limited (Qatari Private Shareholding Company) incorporated Gulf Jackup SPC LLC as a Special Purpose Company in accordance with the provisions of the Qatar Financial Centre Companies Regulations. As part of the same transaction on the same day, Gulf Jackup SPC LLC acquired 3 rigs from wholly owned subsidiaries of Seadrill Limited.

Details of the purchase consideration and net assets acquired are as follows:

Purchase consideration	**25 June 2024**
	QR. '000
Fair value of previously held equity-accounted investee	**50,459**
Cash paid	**1,230,319**
Total purchase consideration	**1,280,778**

The purchase price has been allocated to the assets and liabilities as a result of the acquisition based on relative fair values as follows:

	25 June 2024
	QR. '000
Rigs	**1,183,000**
Right-of-use assets	**175,892**
Contract assets	**22,562**
Due from related parties	**127,559**
Trade and other receivables	**165,242**
Cash and cash equivalents	**3,629**
Lease liabilities	**(172,176)**
Contract liabilities	**(70,523)**
Trade and other payables	**(84,228)**
Due to related parties	**(70,179)**
Net identifiable assets acquired	**1,280,778**

The difference between the carrying value of the former joint ventures assets as at 25 June 2024 and the fair value of the consideration paid gave rise to a gain amounting to QAR 5.84 million, which was allocated to Right of use assets as at 25 June 2024.

(i) Gain on equity-accounted investee:

	25 June 2024
	QR. '000
Fair value of previously held equity-accounted investee	**50,459**
Carrying value of previously held equity-accounted investee	**(42,474)**
Gain on equity-accounted investee	**7,985**

(ii) Settlement of pre-existing lease contracts:

Before acquisition of assets, Gulfdrill LLC had recorded right-of-use assets and lease liabilities in respect of the 3 rigs which were acquired by Gulf Jackup SPC LLC on 25th June 2024. Accordingly, the lease liabilities were derecognized together with the corresponding right of use asset which resulted in a gain as show below. This is recorded in Other income in the condensed consolidated statement of profit or loss.

	25 June 2024
	QR. '000
Right-of-use assets	**186,741**
Lease liabilities	**(193,068)**
Gain on settlement of pre-existing lease contracts	**6,327**

38. Restatements

Management has re-evaluated the accounting treatment of certain transactions and balances recorded in the consolidated financial statements in the prior years to determine if such transactions and balances have been accounted for appropriately under IFRS Accounting Standards. Where necessary, changes in presentation were made in accordance with IAS 1 - Financial Statement Presentation ("IAS 1") and IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8").

1) Past due interest

In the prior year, the Group renegotiated certain loans as part of the restructuring exercise within the Group., The interest expense on one of the loans was understated in the prior periods. As such, this resulted in an understatement of loans and borrowings, as well as finance costs for 2022 and 2023 by QAR 28 million and QAR 13 million respectively.

2) Inventory reclassification

During the period, management has reconciled the inventory balances and noted that some spare parts related to machinery and equipment were recorded in inventory and not property, plant and equipment in the statement of financial position. The above resulted in:

- Incorrect presentation of spare parts as current assets in inventories as opposed to non-current assets in machinery and equipment.
- No depreciation was recognized on the related spare parts as required under IFRS. This resulted in an understatement of direct costs in the statement profit or loss and other comprehensive income.

3) Presentation of liabilities for advances and customer deposits against trade receivables

During the year, the Group identified advances of QAR 25.5 million and deposits of QAR 6.6 million received from customers under revenue contracts that were previously set off against trade receivables as of 31 December 2023 and presented as a net balance. Management assessed the guidance under IFRS including the guidance in IAS 1 – Financial Statement Presentation and IAS 32 – Financial Instruments: Presentation to determine if such presentation is appropriate and concluded these balances should not have been set off against trade receivables as the balances represent different rights and obligations. The balances for advances and deposits received, should be reclassified from 'Trade and other receivables' to 'Trade and Other Payables' as 'Advances from Customers' and 'Deposits from Customers respectively.

The effect of these restatements on the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows is summarised below:

Statement of financial position 31 December 2023– extract

	Previously reported	Restatement 1	Restatement 2	Restatement 3	Restated
Property and equipment	5,506,609	-	65,522	-	5,572,131
Inventories	440,351	-	(88,817)	-	351,534
Retained earnings	1,551,370	(41,155)	(23,295)	-	1,486,920
Loans and borrowings (non-current)	4,138,728	41,155	-	-	4,179,883
Trade and other receivable	870,544	-	-	32,142	902,686
Trade and other payable	638,705	-	-	32,142	670,847

Statement of financial position 1 January 2023– extract

	Previously reported	Restatement 1	Restatement 2	Restated
Property and equipment	5,560,956	-	44,715	5,605,671
Inventories	393,170	-	(55,746)	337,424
Retained earnings	1,365,244	(27,916)	(11,032)	1,326,296
Loans and borrowings (non-current)	2,633,625	27,916	-	2,661,541

Statement of profit or loss and other comprehensive income 31 December 2023 – extract

	Previously reported	Restatement 1	Restatement 2	Restated
Cost of sales	(1,762,784)	-	(12,263)	(1,775,047)
Finance costs	(205,262)	(13,239)	-	(218,501)

Statement of changes in equity 31 December 2023 – extract

	Previously reported	Restatement 1	Restatement 2	Restated
Retained earnings	1,551,370	(41,155)	(23,295)	1,486,920

Statement of changes in equity 1 January 2023 – extract

	Previously reported	Restatement 1	Restatement 2	Restated
Retained earnings	1,365,244	(27,916)	(11,032)	1,326,296

Statement of cash flows 31 December 2023 – extract

	Previously reported	Restatement 1	Restatement 2	Restatement 3	Restated
Profit / (loss) before tax	400,696	(13,239)	(12,263)	-	375,194
Adjustments for:					
Depreciation of machinery and equipment	351,238	-	10,366	-	361,604
Finance costs	211,709	13,239	-	-	224,948
Changes in:					
Inventories	(61,712)	-	33,071	-	(28,641)
trade and other receivables	27,118	-	-	(32,142)	(5,024)
trade and other payables	79,620	-	-	32,142	111,762
Cash flows from investing activities:					
Acquisition of machinery and equipment	(333,300)	-	(31,174)	-	(364,474)

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