

**QATAR GAS TRANSPORT COMPANY LIMITED  
(NAKILAT) (Q.P.S.C.)  
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)  
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**

<b>Contents</b>	<b>Page(s)</b>
Independent Auditor's Report on review of interim condensed consolidated financial statements	1-2
<u><i>Interim Condensed Consolidated Financial Statements</i></u>	
Interim Condensed Consolidated Statement of Financial Position	3
Interim Condensed Consolidated Statement of Income	4
Interim Condensed Consolidated Statement of Comprehensive Income	5
Interim Condensed Consolidated Statement of Changes in Equity	6
Interim Condensed Consolidated Statement of Cash Flows	7
Notes to the Interim Condensed Consolidated Financial Statements	8 – 15



KPMG  
Zone 25 C Ring Road  
Street 230, Building 246  
PO Box 4473, Doha  
State of Qatar  
Telephone: +974 4457 6444  
Fax: +974 4436 7411  
Website: home.kpmg/qa

# Independent auditors' report on review of interim condensed consolidated financial statements

**To the Shareholders of**  
***Qatar Gas Transport Company Limited (Nakilat) (Q.P.S.C.)***

## Introduction

We have reviewed the accompanying 30 June 2023 interim condensed consolidated financial statements of Qatar Gas Transport Company Limited (Nakilat) (Q.P.S.C.) (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the interim condensed consolidated statement of financial position as at 30 June 2023;
- the interim condensed consolidated statement of income for the six-month period ended 30 June 2023;
- the interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2023;
- the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2023;
- the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2023; and
- notes to the interim condensed consolidated financial statements.

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

## Scope of Review

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



## Independent auditors' report on review of interim condensed consolidated financial statements (continued)

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2023 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

### Other Matter

The interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2022 were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2022 were audited, by another auditor, whose review and audit reports dated 08 August 2022 and 13 February 2023 respectively, expressed an unmodified review conclusion and unqualified audit opinion thereon.

02 August 2023  
Doha  
State of Qatar

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



**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)**  
**DOHA – QATAR**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023**  
**(Amounts expressed in thousands of Qatari Riyals)**

		June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
<b>ASSETS</b>	<b>Note</b>		
<b>Non-Current Assets:</b>			
Property and equipment	3	20,973,612	21,327,349
Investment in joint venture companies	4	5,578,411	5,289,960
Loans to joint venture companies		68,484	68,484
Equity investments		123,520	138,687
<b>Total Non-Current Assets</b>		<b>26,744,027</b>	<b>26,824,480</b>
<b>Current Assets:</b>			
Inventories		25,659	26,300
Trade and other receivables	14	848,421	729,993
Due from joint venture companies		41,112	55,448
Fair value of interest rate swaps	10	24,637	-
Cash and bank balances	5	3,935,152	4,560,044
<b>Total Current Assets</b>		<b>4,874,981</b>	<b>5,371,785</b>
<b>Total Assets</b>		<b>31,619,008</b>	<b>32,196,265</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Share capital	6	5,540,264	5,540,264
Legal reserve	7	1,356,650	1,356,650
Fair value reserve		12,107	27,274
Retained earnings		4,626,658	4,572,508
<b>Equity before hedging reserve and non-controlling interests</b>		<b>11,535,679</b>	<b>11,496,696</b>
<b>Hedging reserve</b>	8	<b>(161,835)</b>	<b>(247,730)</b>
<b>Equity after hedging reserve and before non-controlling interests</b>		<b>11,373,844</b>	<b>11,248,966</b>
<b>Non-controlling interests</b>		<b>5,208</b>	<b>5,709</b>
<b>Non-Current Liabilities:</b>			
Borrowings	9	14,846,925	17,721,586
Fair value of interest rate swaps	10	438,542	253,784
Lease liability		38,170	41,005
Provision for employees' end of service benefits		39,828	38,411
Other liabilities		151,441	146,798
<b>Total Non-Current Liabilities</b>		<b>15,514,906</b>	<b>18,201,584</b>
<b>Current Liabilities:</b>			
Borrowings	9	3,432,849	1,085,201
Fair value of interest rate swaps	10	-	256,001
Lease liability		6,004	5,930
Accounts payable and accruals		1,286,197	1,392,874
<b>Total Current Liabilities</b>		<b>4,725,050</b>	<b>2,740,006</b>
<b>Total Equity and Liabilities</b>		<b>31,619,008</b>	<b>32,196,265</b>

  
**Abdulaziz Jassim Al-Muftah**  
**Chairman**

  
**Abdullah Fadhalah Al-Sulaiti**  
**Chief Executive Officer**

The accompanying notes 1-16 form an integral part of these interim condensed consolidated financial statements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)**  
**DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**  
**(Amounts expressed in thousands of Qatari Riyals)**

		<b>Six Month Period Ended June 30, 2023 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2022 (Reviewed)</b>
	<b>Note</b>		
<b><u>Income:</u></b>			
Revenue from wholly owned vessels		1,765,381	1,761,273
Share of results from joint ventures	4	382,987	322,940
Income from marine and agency services		28,369	25,289
Interest income on loans to joint venture companies		9,494	6,173
Interest, dividend and other income		104,297	27,460
<b>Total Income</b>		<b>2,290,528</b>	<b>2,143,135</b>
<b><u>Expenses:</u></b>			
Operating costs		(396,175)	(363,430)
General and administrative expenses		(49,221)	(44,224)
Depreciation of property and equipment	3	(449,940)	(439,410)
Finance charges		(620,309)	(565,969)
<b>Total Expenses</b>		<b>(1,515,645)</b>	<b>(1,413,033)</b>
<b>Profit for the period</b>		<b>774,883</b>	<b>730,102</b>
<b>Profit for the period attributable to:</b>			
Owners of the Company		774,384	729,641
Non-controlling interests		499	461
<b>Total</b>		<b>774,883</b>	<b>730,102</b>
<b>Basic and diluted earnings per share</b>			
(expressed in QR per share)	12	0.14	0.13

The accompanying notes 1-16 form an integral part of these interim condensed consolidated financial statements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)  
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023  
(Amounts expressed in thousands of Qatari Riyals)**

	<b>Six Month Period Ended June 30, 2023 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2022 (Reviewed)</b>
<b>Profit for the period</b>	<b>774,883</b>	<b>730,102</b>
<b><u>Other comprehensive income</u></b>		
<i>Items that will not be reclassified to statement of income in subsequent period:</i>		
Changes in fair value of equity investments-at FVOCI	(15,167)	27,106
<i>Items that may be reclassified subsequently to statement of income:</i>		
Changes in fair value of cash flow hedging derivatives	95,881	984,514
Group's share of joint ventures' changes in fair value of cash flow hedging derivatives	(9,986)	185,477
<b>Total comprehensive income for the period</b>	<b>845,611</b>	<b>1,927,199</b>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Company	845,112	1,926,738
Non-controlling interests	499	461
<b>Total</b>	<b>845,611</b>	<b>1,927,199</b>

The accompanying notes 1-16 form an integral part of these interim condensed consolidated financial statements.



**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)  
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023  
(Amounts expressed in thousands of Qatari Riyals)**

	Share Capital	Legal Reserve	Fair Value Reserve	Retained Earnings	Equity Before Hedging Reserve and Non-Controlling Interest	Hedging Reserve	Controlling Interest	Non- Controlling Interest
<b>Balance as of January 01, 2022 (Audited)</b>	5,540,264	1,212,758	51,289	3,978,287	10,782,598	(2,018,752)	7,644	461
Profit for the period	-	-	-	729,641	729,641	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-
-Changes in fair value of equity investments-at FVOCI	-	-	27,106	-	27,106	-	-	-
-Changes in fair value of cash flow hedging derivatives	-	-	-	-	-	984,514	-	-
-Group's share of joint ventures' changes in fair value of cash flow hedging derivatives	-	-	-	-	-	185,477	-	-
Total comprehensive income for the period	-	-	27,106	729,641	756,747	1,169,991	461	-
Dividend declared for 2021	-	-	-	(664,832)	(664,832)	-	(2,400)	-
<b>Balance as of June 30, 2022- (Reviewed)</b>	5,540,264	1,212,758	78,395	4,043,096	10,874,513	(848,761)	5,705	-
<b>Balance as of January 01, 2023 (Audited)</b>	5,540,264	1,356,650	27,274	4,572,508	11,496,696	(247,730)	5,709	499
Profit for the period	-	-	-	774,384	774,384	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-
-Changes in fair value of equity investments-at FVOCI	-	-	(15,167)	-	(15,167)	-	-	-
-Changes in fair value of cash flow hedging derivatives	-	-	-	-	-	95,881	-	-
-Group's share of joint ventures' changes in fair value of cash flow hedging derivatives	-	-	-	-	-	(9,986)	-	-
Total comprehensive income for the period	-	-	(15,167)	774,384	759,217	85,895	499	-
Dividend declared for 2022	-	-	-	(720,234)	(720,234)	-	(1,000)	-
<b>Balance as of June 30, 2023- (Reviewed)</b>	5,540,264	1,356,650	12,107	4,626,658	11,535,679	(161,835)	5,208	-

The accompanying notes 1-16 form an integral part of these interim condensed consolidated financial statements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)**  
**DOHA – QATAR**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**  
**(Amounts expressed in thousands of Qatari Riyals)**

	Note	Six Month Period Ended June 30, 2023 (Reviewed)	Six Month Period Ended June 30, 2022 (Reviewed)
<b>Cash Flows from Operating Activities:</b>			
Profit for the period		774,883	730,102
Adjustments for:			
Depreciation of property and equipment	3	449,940	439,410
Finance charges		620,309	565,969
IFRS 16 lease classification		3,812	3,907
Share of results from joint ventures	4	(382,987)	(322,940)
Interest income on loans to joint venture companies		(9,494)	(6,173)
Interest, dividend and other income		(104,297)	(27,460)
Provision for employees' end of service benefits		3,429	4,207
		<u>1,355,595</u>	<u>1,387,022</u>
<b>Working Capital Changes:</b>			
Inventories		641	986
Trade and other receivables		(110,274)	(275,089)
Accounts payable and accruals		(9,981)	304,971
Other liabilities		4,643	(20,999)
Due from joint venture companies		722	(17,748)
Cash generated from operations		<u>1,241,346</u>	<u>1,379,143</u>
Finance charges paid		(606,790)	(501,234)
Employees' end of service benefits paid		(2,012)	(1,030)
<b>Net Cash from Operating Activities</b>		<u>632,544</u>	<u>876,879</u>
<b>Cash Flows from Investing Activities:</b>			
Additional investment in a joint venture	4	-	(58,695)
Loans to joint venture companies-net		(24,193)	593,988
Dividend income received from joint ventures	4	34,554	160,097
Cash received from winding down of a joint venture		5,114	-
Acquisition of property and equipment	3	(99,234)	(33,769)
Changes in restricted cash		(154,602)	19,848
Time deposits maturing after ninety days		225,093	337,610
Investment income received		110,283	49,945
<b>Net Cash from Investing Activities</b>		<u>97,015</u>	<u>1,069,024</u>
<b>Cash Flows from Financing Activities:</b>			
Dividend paid to shareholders		(733,673)	(649,435)
Unpaid dividend transferred to separate bank account		(1,560)	(18,410)
Payment of lease liability		(3,542)	(3,541)
Costs incurred on refinancing		(128)	(218)
Repayment of borrowings		(531,589)	(533,504)
<b>Net Cash used in Financing Activities</b>		<u>(1,270,492)</u>	<u>(1,205,108)</u>
<b>Net (Decrease) /Increase in Cash and Cash Equivalents</b>		<u>(540,933)</u>	<u>740,795</u>
<b>Cash and Cash Equivalents at Beginning of the Period</b>		<u>1,586,724</u>	<u>1,400,966</u>
<b>Cash and Cash Equivalents at End of the Period</b>	5.1	<u>1,045,791</u>	<u>2,141,761</u>

The accompanying notes 1-16 form an integral part of these interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**

**(Amounts expressed in thousands of Qatari Riyals)**

---

**1. Reporting Entity:**

Qatar Gas Transport Company Limited (Nakilat) (Q.P.S.C.) ('QGTC' or 'the Company') is a Public Shareholding Company, incorporated in the State of Qatar on June 9, 2004, under Commercial Registration Number 28566 issued by the Ministry of Economy and Commerce (currently 'Ministry of Commerce and Industry'). The shares of the Company started trading in the Qatar Exchange on April 7, 2005.

The main purpose of the Company is to work in the industry of gas transport either through direct acquisition of ocean-going vessels or by investing in joint ventures with other parties.

These interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries together referred to as the "Group" and the Group's interests in jointly controlled entities.

Although most of the joint venture entities are located abroad, their trading activities are mainly derived from contracts with local companies in Qatar. The Group can therefore be viewed to provide services within the same economic environment and subject to the same economic risk.

These interim condensed consolidated financial statements were approved on **August 02, 2023**.

**2. Basis of Preparation and Significant Accounting Policies:**

**2.1 Basis of preparation:**

The accompanying interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard IAS 34 – "Interim Financial Reporting" under the historical cost convention except for certain financial instruments which have been stated at fair value. They do not include all of the information required for full annual financial statements, therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2022. In addition, results for the six-month period ended June 30, 2023, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

Wholly owned gas transportation vessels are the group's primary operating segment based on the nature of the services provided. Other segments including agency and marine services (over the time) are immaterial and not reportable. These interim condensed consolidated financial statements are therefore prepared on a single reportable segment basis.

**2.2 Risk management, judgements, and estimates:**

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

The financial risk management objectives and policies of the Group are consistent with those disclosed in the Group's annual consolidated financial statements as at and for the year ended 31 December 2022.

**2.3 Significant accounting policies:**

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements, as at and for the year ended 31 December 2022.

**Standards, amendments, or interpretations issued but not yet effective:**

Certain standards or amendments that have been issued and effective have been adopted in preparing these interim condensed consolidated financial statements. However, they did not have any significant impact on these interim condensed consolidated financial statements. Certain standards are also available for early adoption but have not been early adopted.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)**

**DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**

(Amounts expressed in thousands of Qatari Riyals)

**3. Property and Equipment:**

	<i><u>Vessels</u></i>	<i><u>Furniture and Fixtures</u></i>	<i><u>Right of use Assets</u></i>	<i><u>Others*</u></i>	<i><u>Total</u></i>
<b>Cost:</b>					
At January 01, 2022 (Audited)	31,509,776	41,512	60,620	53,261	31,665,169
Additions during the year	-	-	-	97,961	97,961
Transfer from capital work in progress	82,708	-	-	(82,708)	-
Disposals / adjustments during the year	(80,136)	-	-	(5,062)	(85,198)
At December 31, 2022 (Audited)	31,512,348	41,512	60,620	63,452	31,677,932
Additions during the period	-	-	-	<b>99,234</b>	<b>99,234</b>
Transfer from capital work in progress	<b>30,311</b>	-	-	<b>(30,311)</b>	-
Disposals / adjustment during the period	<b>(519,465)</b>	-	-	-	<b>(519,465)</b>
<b>At June 30, 2023 (Reviewed)</b>	<b>31,023,194</b>	<b>41,512</b>	<b>60,620</b>	<b>132,375</b>	<b>31,257,701</b>
<b>Accumulated Depreciation:</b>					
At January 01, 2022 (Audited)	9,308,160	41,512	9,093	39,928	9,398,693
Charge for the year	944,962	-	6,062	1,655	952,679
Disposals / adjustments during the year	16	-	-	(805)	(789)
At December 31, 2022 (Audited)	10,253,138	41,512	15,155	40,778	10,350,583
Charge for the period	<b>449,312</b>	-	<b>3,031</b>	<b>628</b>	<b>452,971</b>
Disposals / adjustment during the period	<b>(519,465)</b>	-	-	-	<b>(519,465)</b>
<b>At June 30, 2023 (Reviewed)</b>	<b>10,182,985</b>	<b>41,512</b>	<b>18,186</b>	<b>41,406</b>	<b>10,284,089</b>
<b>Net Carrying Amount:</b>					
<b>At June 30, 2023 (Reviewed)</b>	<b>20,840,209</b>	-	<b>42,434</b>	<b>90,969</b>	<b>20,973,612</b>
At December 31, 2022 (Audited)	21,259,210	-	45,465	22,674	21,327,349

\* This includes capital work in progress amounting to **QR 85 million** (2022: QR 16 million).

\*\* Depreciation amounting to **QR 3 million** (December 31, 2022: QR 6 million) is allocated to general and administrative expenses.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)**  
**DOHA – QATAR**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**  
**(Amounts expressed in thousands of Qatari Riyals)**

**4. Investment in Joint Venture Companies:**

Balance – January 01, 2022 (Audited)	4,900,345
Additional investment in a joint venture	58,694
Share of results for the year	689,373
Loss adjusted against loan to joint ventures	21,197
Adjustment against additional liability for losses from joint ventures	(112,419)
Share of hedging reserve for the year	295,782
Dividend received during the year	(563,012)
Balance – December 31, 2022 (Audited)	5,289,960
Share of results for the six month period ended June 30, 2023	382,987
Loss adjusted against loan to joint ventures	24,194
Adjustment against additional liability for losses from joint ventures	(74,190)
Share of hedging reserve for the six month period ended June 30, 2023	(9,986)
Dividend received during the six month period ended June 30, 2023	(34,554)
<b>Balance – June 30, 2023 (Reviewed)</b>	<b>5,578,411</b>

**5. Cash and Bank Balances:**

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
Cash in hand	500	490
Cash at bank –Call and current accounts	649,647	1,223,900
Cash at bank-Time deposits *	3,165,574	3,202,755
Other bank balances (a)	20,229	20,258
Other bank balances (b)	99,202	112,641
<b>Total</b>	<b>3,935,152</b>	<b>4,560,044</b>

\* The effective interest and profit rates on the time deposits varies between **1.75% to 5.85%** (2022: 0.44% to 6.5%).

**5.1 Cash and Cash Equivalents:**

	<b>June 30, 2023 (Reviewed)</b>	<b>June 30, 2022 (Reviewed)</b>
Cash and bank balances	3,935,152	3,838,044
Less:		
-Other bank balances (a)	(20,229)	(20,298)
-Other bank balances (b)	(99,202)	(123,413)
-Time deposits maturing after ninety days	(2,468,756)	(1,335,892)
-Restricted cash	(301,174)	(216,680)
	<b>1,045,791</b>	<b>2,141,761</b>

(a) Cash payable to shareholders for unclaimed proceeds of their shares auctioned related to the second IPO call.

(b) Cash payable to shareholders for unclaimed dividend.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)  
DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023  
(Amounts expressed in thousands of Qatari Riyals)**

**6. Share Capital:**

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
Issued and subscribed share capital	<b>5,540,263,600</b>	5,540,263,600
	<b><u>Amount</u></b>	<b><u>Amount</u></b>
<b>Issued, subscribed and paid up share capital with a par value of QR 1 each.</b>	<b>5,540,264</b>	5,540,264

**7. Legal Reserve:**

The Articles of Association of the Company require the Company to provide for a legal reserve at 10% of net profit for each year until it reaches 50% of paid-up share capital. This reserve is not available for distribution except for circumstances specified in the Articles of Association. No legal reserve has been computed for the purpose of these interim condensed consolidated financial statements.

**8. Hedging Reserve:**

This represents the Group's share of the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge that was recognized by its subsidiaries and its share from the joint venture companies.

The negative hedging reserve represents an accounting entry from the revaluation to fair value the interest rate swaps. The hedging reserve is expected to decrease over time as loans are repaid and the notional amount of the swaps decreases. The reserve on designated hedges is not expected to impact either consolidated statement of income or retained earnings. The negative hedge reserve arises on interest rate swaps that relate to variable interest-bearing loans taken to build vessels. The Group also enters into long-term time charter agreements to lock in future cash inflows from vessels. This strategy is expected to result in a more stable stream of cash flows in the future and minimize uncertainties associated with shipping spot rate movements or interest rate movements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)**  
**DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023**  
**(Amounts expressed in thousands of Qatari Riyals)**

**9. Borrowings:**

These consist of the following:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
Loan 1	<b>1,524,890</b>	1,570,410
Senior bank facilities	<b>9,704,164</b>	9,976,097
Subordinated bank facilities	<b>1,107,289</b>	1,138,748
Senior bonds – Series “A”	<b>2,670,285</b>	2,760,420
Subordinated bonds – Series “A”	<b>680,121</b>	702,811
Loan 2	<b>910,383</b>	910,383
Loan 3	<b>1,186,476</b>	1,256,328
Loan 4	<b>546,230</b>	546,230
Less: Issuance cost of bonds	<b>(14,711)</b>	(15,412)
Less: Transaction costs of refinancing	<b>(23,022)</b>	(24,838)
Less: Costs incurred for loan 1	<b>(1,094)</b>	(1,793)
Less: Costs incurred for loan 3	<b>(11,237)</b>	(12,597)
<b>Total</b>	<b>18,279,774</b>	18,806,787
<b>Classified as:</b>		
Payable within one year	<b>3,432,849</b>	1,085,201
Payable after one year	<b>14,846,925</b>	17,721,586

The weighted average interest rate on short / long term facilities (excluding hedge), loans and bonds as above at **June 30, 2023** is **6.31348%** (December 31, 2022: 3.47979%).

**10. Fair Value of Interest Rate Swaps:**

The Group has entered into interest rate swap agreements with several financial institutions. As at **June 30, 2023** the outstanding notional amount of swap agreements is **QR 7,946 million** (2022: QR 8,165 million) and net fair value is negative **QR 413.9 million** (2022: QR 509.8 million).

**11. Related Party Transactions:**

	<b>Six Month Period Ended June 30, 2023 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2022 (Reviewed)</b>
Loans to joint ventures (net)	<b>(24,193)</b>	593,988
Interest income on loans to joint venture companies	<b>9,494</b>	6,173
Compensation of key management personnel	<b>4,753</b>	4,631
Board of Directors’ remuneration accrued	<b>2,950</b>	2,950

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)****DOHA – QATAR****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023****(Amounts expressed in thousands of Qatari Riyals)**

---

**12. Earnings Per Share:**

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	<b>Six Month Period Ended June 30,2023 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2022 (Reviewed)</b>
Profit for the period attributable to the owners of the Company	<u>774,384</u>	<u>729,641</u>
Weighted average number of shares outstanding during the period	<u>5,540,263,600</u>	<u>5,540,263,600</u>
<b><i>Basic and diluted earnings per share (expressed in QR per share)</i></b>	<u><b>0.14</b></u>	<u><b>0.13</b></u>

There were no potentially dilutive shares outstanding at any time during the period and hence the diluted earnings per share are equal to the basic earnings per share.

**13. Fair Values:****Fair Value of Financial Instruments**

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

Loans to joint ventures, trade and other receivables, due from joint venture companies, bank balances, interest bearing loans and borrowings and account payable are not included in the table below since their carrying amount is a reasonable approximation of fair value.

The fair value of equity investments is derived from quoted market prices in an active market. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows quoted by the respective swap counter parties. The fair value of other financial instruments approximates their carrying value.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)  
DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023  
(Amounts expressed in thousands of Qatari Riyals)**

---

**13. Fair Values (continued):**

**Fair Value of Financial Instruments (continued)**

***Fair Value Hierarchy***

As at reporting date, the Group held the following financial instruments measured at fair value.

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.

	Level 1	Level 2	Level 3	Total
<b>June 30, 2023:</b>				
<b>Financial assets measured at fair value:</b>				
Equity investments	123,520	-	-	123,520
Interest rate swaps used for hedging	-	24,637	-	24,637
<b>Financial liabilities measured at fair value:</b>				
Interest rate swaps used for hedging	-	438,542	-	438,542
<b>December 31, 2022:</b>				
<b>Financial assets measured at fair value:</b>				
Equity investments	138,687	-	-	138,687
<b>Financial liabilities measured at fair value:</b>				
Interest rate swaps used for hedging	-	509,785	-	509,785

**14. Trade and other receivables:**

This includes advances which pertain to unbilled invoices which has corresponding advances from customers (classified as accounts and other payables) which will be offset against each other upon billing of the invoices.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (Q.P.S.C.)  
DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023  
(Amounts expressed in thousands of Qatari Riyals)**

---

**15. Commitments and Contingencies:**

**(A) *Guarantees, Letter of Credit and Commitments:***

**(i) *Cross Guarantees***

The Company has issued cross guarantees to the various banks with regard to loans and interest rate swaps.

**(ii) Bank Guarantees at **June 30, 2023** amounted to **QR 7.9 million** (2022: QR 8.3 million).**

**(iii) Letters of Credits and Guarantees including the share from joint ventures at **June 30, 2023** amounted to **QR 32.4 million** (2022: QR 35.8 million).**

**(iv) Capital commitments including the share from joint ventures at **June 30, 2023** amounted to **QR 146.7 million** (2022: QR 127.1 million).**

**(B) *Time Charter:***

The Group entered into various time charter agreements for the time charter of its vessels for an initial term of approximately 25 years from delivery date of each vessel with an option to renew.

**16. Comparative amounts:**

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