

Gulf Warehousing Company Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS PERIOD ENDED
30 SEPTEMBER 2023**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GULF WAREHOUSING COMPANY (Q.P.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Warehousing Company Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), as at 30 September 2023, which comprise of the interim consolidated statement of financial position as at 30 September 2023 and the related interim consolidated statement of profit or loss and other comprehensive income for the three and nine month periods then ended, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the nine month period then ended, and the related explanatory notes.

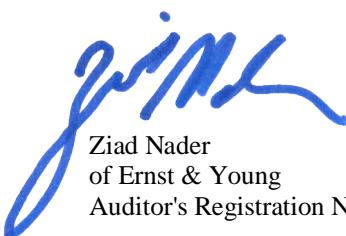
The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated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

Conclusion

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



Ziad Nader
of Ernst & Young
Auditor's Registration No: 258

Date: 24 October 2023
Doha



Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 QR (Reviewed)	31 December 2022 QR (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,983,228,284	3,038,626,709
Capital work-in-progress	7	787,764,983	343,830,527
Right-of-use of assets	8	232,696,130	213,233,398
Investment properties	9	41,476,343	41,476,343
Intangible assets and goodwill		116,558,298	116,783,244
Refundable deposits		18,251,000	18,251,000
		<u>4,179,975,038</u>	<u>3,772,201,221</u>
Current assets			
Inventories		15,663,784	16,342,311
Trade and other receivables	10	642,022,262	747,699,972
Cash and bank balances	11	258,385,353	238,226,527
		<u>916,071,399</u>	<u>1,002,268,810</u>
TOTAL ASSETS		<u>5,096,046,437</u>	<u>4,774,470,031</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	586,031,480	586,031,480
Legal reserve	13	552,506,803	552,506,803
Retained earnings		1,203,721,889	1,094,452,923
Foreign currency translation reserve		(2,269,461)	(1,457,638)
Equity attributable to equity holders of the Parent		<u>2,339,990,711</u>	<u>2,231,533,568</u>
Non-controlling interests		<u>15,544,348</u>	<u>11,999,312</u>
Total equity		<u>2,355,535,059</u>	<u>2,243,532,880</u>
Liabilities			
Non-current liabilities			
Islamic financing	15	1,452,550,897	1,269,172,504
Lease liabilities	8	209,087,986	198,214,243
Employees' end of service benefits		60,259,034	57,622,254
Retention payable to contractors		507,000	9,915,408
		<u>1,722,404,917</u>	<u>1,534,924,409</u>
Current liabilities			
Islamic financing	15	537,290,296	522,985,271
Trade and other payables		461,041,581	461,751,682
Lease liabilities	8	19,774,584	11,275,789
		<u>1,018,106,461</u>	<u>996,012,742</u>
Total liabilities		<u>2,740,511,378</u>	<u>2,530,937,151</u>
TOTAL EQUITY AND LIABILITIES		<u>5,096,046,437</u>	<u>4,774,470,031</u>

These interim condensed consolidated financial statements were approved by the Parent Company's Board of Directors on 24 October 2023 and were signed on its behalf by:


Abdulla Bin Fahad J Al Thani
Chairman


Fahad Bin Hamad J Al Thani
Vice Chairman

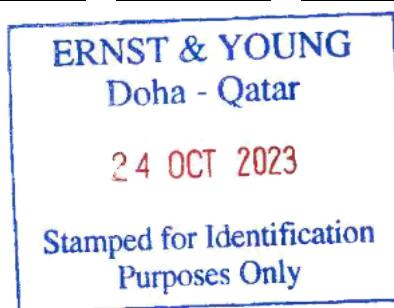
The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine month periods ended 30 September 2023

	Notes	For the three months period ended 30 September		For the nine months period ended 30 September	
		2023 QR (Reviewed)	2022 QR (Reviewed)	2023 QR (Reviewed)	2022 QR (Reviewed)
Revenue	17	349,555,215	390,598,328	1,135,530,387	1,109,697,292
Direct cost	18	(238,834,413)	(280,286,856)	(789,770,673)	(793,579,836)
Gross profit		110,720,802	110,311,472	345,759,714	316,117,456
Other income		2,125,188	175,696	2,364,998	648,419
General and administrative expenses	18	(33,551,636)	(34,747,838)	(100,599,858)	(95,832,651)
Operating profit		79,294,354	75,739,330	247,524,854	220,933,224
Finance costs, net	19	(25,298,070)	(13,486,573)	(75,169,878)	(37,951,890)
Profit before tax		53,996,284	62,252,757	172,354,976	182,981,334
Income tax expense		(171,441)	(553,314)	(937,826)	(1,668,927)
Profit for the period		53,824,843	61,699,443	171,417,150	181,312,407
<i>Other comprehensive loss:</i>					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		(730,908)	(210,615)	(811,823)	(3,144,161)
Total comprehensive income		53,093,935	61,488,828	170,605,327	178,168,246
Profit attributable to:					
Equity holders of the Parent		53,054,054	59,410,881	167,872,114	174,201,500
Non-controlling interest		770,789	2,288,562	3,545,036	7,110,907
		53,824,843	61,699,443	171,417,150	181,312,407
Total comprehensive income attributable to:					
Equity holders of the Parent		52,323,146	59,200,266	167,060,291	171,057,339
Non-controlling interest		770,789	2,288,562	3,545,036	7,110,907
		53,093,935	61,488,828	170,605,327	178,168,246
Earnings per share:					
Basic and diluted earnings per share	20	0.091	0.101	0.286	0.297



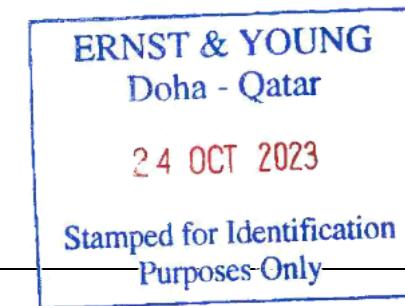
Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 2023

	Attributable to equity holders of the Parent						Non-controlling interests QR	Total equity QR
	Share capital QR	Legal reserve QR	Retained earnings QR	Foreign currency translation reserve QR	Total QR			
As at 1 January 2023	586,031,480	552,506,803	1,094,452,923	(1,457,638)	2,231,533,568	11,999,312	2,243,532,880	
Profit for the period	-	-	167,872,114	-	167,872,114	3,545,036	171,417,150	
Other comprehensive income	-	-	-	(811,823)	(811,823)	-	(811,823)	
Total comprehensive income for the period	-	-	167,872,114	(811,823)	167,060,291	3,545,036	170,605,327	
Dividends (Note 14)	-	-	(58,603,148)	-	(58,603,148)	-	(58,603,148)	
Balance at 30 September 2023 (Reviewed)	586,031,480	552,506,803	1,203,721,889	(2,269,461)	2,339,990,711	15,544,348	2,355,535,059	
As at 1 January 2022	586,031,480	552,506,803	930,279,549	(543,184)	2,068,274,648	14,587,853	2,082,862,501	
Profit for the period	-	-	174,201,500	-	174,201,500	7,110,907	181,312,407	
Other comprehensive income	-	-	-	(3,144,161)	(3,144,161)	-	(3,144,161)	
Total comprehensive income for the period	-	-	174,201,500	(3,144,161)	171,057,339	7,110,907	178,168,246	
Changes in ownership interest in a subsidiary	-	-	(10,575,811)	-	(10,575,811)	-	(10,575,811)	
Dividends (Note 14)	-	-	(58,603,148)	-	(58,603,148)	-	(58,603,148)	
Dividends paid to non-controlling interest (Note 14)	-	-	-	-	-	(12,250,000)	(12,250,000)	
Balance at 30 September 2022 (Reviewed)	586,031,480	552,506,803	1,035,302,090	(3,687,345)	2,170,153,028	9,448,760	2,179,601,788	

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.



Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months period ended 30 September 2023

	Notes	<i>For the nine months period ended 30 September</i>	
		<i>2023</i> <i>QR</i> <i>(Reviewed)</i>	<i>2022</i> <i>QR</i> <i>(Reviewed)</i>
OPERATING ACTIVITIES			
Profit before tax for the period		172,354,976	182,981,334
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	18	138,063,271	115,636,954
Depreciation of right-of-use-assets	18	13,398,141	10,362,713
Amortisation of intangible assets	18	224,946	219,899
Provision for expected credit losses	18	2,039,000	1,783,500
Loss (profit) on sale of property, plant and equipment	6	260,271	(68,755)
Provision for employees' end of service benefits	18	7,950,427	7,287,749
Profit charge on Islamic financing	19	68,853,660	32,300,293
Interest expense on lease liabilities	19	7,496,643	5,859,178
Profit on Islamic bank accounts	19	(1,180,425)	(207,581)
Operating profit before working capital changes		409,460,910	356,155,284
<i>Working capital adjustments:</i>			
Inventories		678,527	(3,538,005)
Trade and other receivables		102,643,006	(192,485,812)
Trade and other payables		(16,263,747)	86,323,108
Cash flows from operating activities		496,518,696	246,454,575
Employees' end of service benefits paid		(5,313,647)	(3,418,185)
Tax paid		(2,031,026)	(1,792,279)
Net cash flows from operating activities		489,174,023	241,244,111
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(36,728,520)	(69,251,612)
Acquisition of a subsidiary	6 & 23	(37,500,000)	-
Proceeds from disposal of property, plant and equipment		-	28,416,384
Payment towards capital work-in-progress		(426,689,556)	(189,956,698)
Profit received on Islamic bank accounts		1,005,401	252,539
Net movement in restricted short-term deposit accounts		7,977,676	(6,295,094)
Net cash flows used in investing activities		(491,934,999)	(236,834,481)
FINANCING ACTIVITIES			
Proceeds from Islamic financing		456,262,926	316,497,120
Repayments on Islamic financing		(258,579,508)	(245,100,367)
Payment of principal portion of lease liabilities		(21,230,053)	(13,549,668)
Profit paid on Islamic financing		(87,160,102)	(46,539,907)
Dividend paid to non-controlling interests		-	(12,250,000)
Dividends paid	14	(58,603,148)	(58,603,148)
Net cash flows from (used in) financing activities		30,690,115	(59,545,970)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		27,929,139	(55,136,340)
Net foreign exchange difference		207,363	(1,486,770)
Cash and cash equivalents at beginning of period		201,294,206	209,381,852
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	229,430,708	152,758,742

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

1 CORPORATE INFORMATION

Gulf Warehousing Company Q.P.S.C. (the “Company” or “Parent”) is incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 as a Qatari Public Shareholding Company, and was registered at the Ministry of Commerce and Industry of the State of Qatar with the Commercial Registration number 27386 dated 21 March 2004. The Company’s shares are listed on the Qatar Stock Exchange since 22 March 2004. The Company is domiciled in the State of Qatar, where it also has its principal place of business. The Company’s registered office is at D Ring Road, Building number 92, Doha, State of Qatar.

The interim condensed consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the “Group” and individually as the “Group entities”).

The principal activities of the Group, which have not changed since the previous year, are the provision of logistics (warehousing, inland transportation of goods for storage, international moving and relocation, express courier and records management) and freight forwarding (land, sea or air) services.

Details of the Company’s operational subsidiaries are as follows:

<i>Name of entities</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Ultimate ownership interest</i>	
			<i>30 September 2023</i>	<i>31 December 2022</i>
Flag Logistics Services W.L.L.	State of Qatar	Logistics and transportation	100%	100%
GWC Logistics Holding L.L.C.	State of Qatar	Logistics and freight forwarding	100%	100%
LEDD Technologies W.L.L.	State of Qatar	Information technology services	100%	100%
ION Sea Freight W.L.L.	State of Qatar	Shipping Services	100%	100%
Prime Container Services W.L.L.	State of Qatar	Shipping services	100%	100%
ION Shipping Services W.L.L.	State of Qatar	Shipping agent	100%	100%
GWC Investments W.L.L.	State of Qatar	Investment in shares, bonds and fund for owner of the registration	51%	51%
Prime Shipping Services W.L.L.(i)	State of Qatar	Shipping agent	51%	51%
Qontrac Shipping Services W.L.L. (i)	State of Qatar	Shipping agent	51%	51%
GWC Shipping Services W.L.L. (i)	State of Qatar	Shipping agent	51%	51%
GWC Marine Services W.L.L. (i)	State of Qatar	Shipping agent	51%	51%
GWC Logistics W.L.L.	Kingdom of Bahrain	Operation and management of general warehouse	100%	100%
Qontrac Global Logistics B.V.	Netherlands	Logistics and freight forwarding	100%	100%
Flag Logistics L.L.C. (Formerly GWC Global Cargo & Transport L.L.C.)	United Arab Emirates	Warehousing and transportation	100%	100%
Freight Logistics Around the Globe & Trade S.P.C.	Sultanate of Oman	Logistics and transportation	100%	100%
Flag Logistics Services W.L.L.	Kingdom of Saudi Arabia	Logistics and transportation	100%	100%
GWC Logistics W.L.L. (Formerly Aero Chem Logistics W.L.L.)	State of Qatar	Trading in chemicals, plastic pipes and its accessories	100%	-
GWC Energy Services W.L.L. (Formerly Synergy Shipping Services W.L.L.)	State of Qatar	Shipping agent	100%	100%

(i) Prime Shipping Services W.L.L., Qontrac Shipping Services W.L.L., GWC Shipping Services W.L.L. and GWC Marine Services W.L.L. are fully owned subsidiaries of GWC Investment W.L.L.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

1 CORPORATE INFORMATION (CONTINUED)

Details of the company's non-operational subsidiaries are as follows:

<i>Name of entities</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Ultimate ownership interest</i>	
			<i>30 September 2023</i>	<i>31 December 2022</i>
LEDD Technologies India Pvt. Ltd. (ii)	India	Information technology services	-	100%
GWC Saudi Arabia –Branches in Riyadh, Dammam & Jeddah	Kingdom of Saudi Arabia	Preparation, development and management of warehouses	100%	100%
Gulf Warehousing Company Limited	Republic of Nigeria	Warehousing and transportation	100%	100%
GWC Chemicals W.L.L.	State of Qatar	Chemical trading and transportation	100%	100%
Yeeba Trading W.L.L.	State of Qatar	Trading food	100%	100%
Gulf Warehousing Express UPS W.L.L.	State of Qatar	Courier services	100%	100%
Imdad Sourcing & Logistic Group W.L.L. (i)	State of Qatar	Trading food and other consumables	51%	51%
Gulf Warehousing Bhumi Projects W.L.L. (ii)	State of Qatar	General construction contract (general contracting)	-	51%
GWC Logistics QFZ Branch	State of Qatar	Logistics and Courier services	100%	100%
Docusafe Solutions W.L.L.	State of Qatar	Information technology services	100%	100%
Flag Logistics Services QFZ Branch (Formerly Agility QFZ branch)	State of Qatar	Logistics and Courier services	100%	100%
GWC Logistics Limited	United Kingdom	Logistics and freight forwarding	100%	100%
Flag LLC	State of Qatar	Admin and management of GWC headquarters and of logistics services to clients	100%	100%
GWC Energy Logistics L.L.C.	United Arab Emirates	Freight services and Shipping agent	100%	-

- (i) As at 30 September 2023, Imdad Sourcing & Logistic Group W.L.L. was under liquidation and the Commercial registration was cancelled subsequent to the period end.
- (ii) Gulf Warehousing Bhumi Projects W.L.L. and LEDD Technologies India Pvt. Ltd. were liquidated and their commercial registration were cancelled during the nine months period ended 30 September 2023.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine months ended 30 September 2023 have been prepared in accordance with *IAS 34 Interim Financial Reporting* ("IAS 34"). The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2023

2 BASIS OF PREPARATION (CONTINUED)

The interim condensed consolidated financial statements have been presented in Qatari Riyals (“QR”), which is the functional and presentation currency of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2022. In addition, the results for the nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

4 USE OF JUDGEMENTS AND ESTIMATES

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

The significant 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 last annual consolidated financial statements.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. The Group’s Chief Financial Officer (CFO) has overall responsibility for overseeing all significant fair value measurements, and reports significant valuation issues directly to the Group’s Audit Committee. The CFO regularly reviews valuation adjustments. If third party information is used to measure fair values, then the CFO assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS.

Management believes that as at the reporting date the fair values of the Group’s financial assets and liabilities approximated their carrying amounts.

5 SEGMENTAL INFORMATION

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different services and are managed by the Group separately for the purpose of making decisions about resource allocation and performance management.

The table below sets out the operations of each reporting segments.

<u>Reportable segments</u>	<u>Operations</u>
Logistics operations	Storage, handling, packaging and transportation
Freight forwarding	Freight services through land, air and sea
Rentals	Rental income
Others	Fixed deposit income and other

The Group’s Chief Executive Officer reviews the internal management reports of each division at least quarterly.

There are varying level of integration between Logistics and Freight forwarding segments.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

5 SEGMENTAL INFORMATION (CONTINUED)

The following table presents revenue and profit information regarding the Group's operating segments for the nine months period ended:

Revenue / profit	30 September 2023			30 September 2022		
	(Reviewed)			(Reviewed)		
	Segment revenue	Segment	Segment	Segment revenue	Segment	Segment
	External QR	Inter- segment QR	profit QR	External QR	Inter- segment QR	profit QR
Logistics operations	760,387,600	234,814,192	134,974,042	708,141,367	185,430,130	151,056,093
Freight forwarding	365,203,189	20,223,165	28,165,536	392,207,314	22,400,713	23,342,894
Rentals	7,358,546	-	7,088,411	7,336,332	-	7,066,197
Others	2,581,052	2,767,561	2,126,987	2,012,279	3,187,382	1,516,150
	1,135,530,387	257,804,918	172,354,976	1,109,697,292	211,018,225	182,981,334

The following table presents the assets and liabilities of the Group's operating segments as at:

Assets / liabilities	30 September 2023			31 December 2022	
	(Reviewed)			(Audited)	
	Segment assets QR	Segment liabilities QR	Segment assets QR	Segment liabilities QR	Segment assets QR
Logistics operations	4,459,369,647	2,412,675,310	4,188,724,999	2,211,094,580	
Freight forwarding	391,372,025	209,008,505	400,870,737	198,613,613	
Investment properties	41,476,343	-	41,476,343	-	
Others	203,828,422	116,715,655	143,397,952	118,744,712	
	5,096,046,437	2,738,399,470	4,774,470,031	2,528,452,905	
Total unallocated assets and liabilities	-	2,111,908	-	2,484,246	
Total consolidated assets and liabilities	5,096,046,437	2,740,511,378	4,774,470,031	2,530,937,151	

6 PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the nine months period ended 30 September 2023, the Group acquired assets with a cost of QR 74,228,520 (nine months period ended 30 September 2022: QR 69,251,612), including building acquired through an acquisition of an entity (Note 23).

Transfers

During the nine months period ended 30 September 2023, assets with a cost of QR 8,696,597 (nine months period ended 30 September 2022: QR 25,707,190) were transferred to property, plant and equipment from Capital work-in-progress (Note 7).

Disposals

During the nine months period ended 30 September 2023, the Group disposed assets with a cost of QR 1,345,330 having a carrying value of QR 260,271 resulting to a loss on disposal of QR 260,271 (nine months period ended 30 September 2022: the Group disposed assets with a cost of QR 32,293,702 having a carrying value of QR 28,347,629 resulting to a gain on disposal of QR 68,755).

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

7 CAPITAL WORK-IN-PROGRESS

Capital work-in-progress represents the cost of assets under construction that are not available for use as at the reporting date. Capital work-in-progress comprises mainly the construction work in relation to LVQ Phase 6 project, Al Wukair Substations, Al Wukair Phase 2 project and Khazaen Economic City (Oman) project. Upon completion, these assets will be transferred to property, plant and equipment (Note 6).

The amount of borrowing costs capitalized during the period ended 30 September 2023 was QR 25,696,422 (30 September 2022: QR 16,354,233). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was 5.32 % (30 September 2022: 3.77%) per annum, which was the effective profit charge rate of the specific financing facilities.

8 LEASES

Group as a lessee

The Group has lease contracts for lands and buildings used in its operations. Leases of lands generally have lease terms between 22 and 30 years, while buildings generally have lease terms between 2 and 4 years. Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

<i>Right-of-use assets</i>	<i>Land</i> <i>QR</i>	<i>Building</i> <i>QR</i>	<i>Total</i> <i>QR</i>
As at 1 January 2022	210,627,362	6,372,779	217,000,141
Additions	10,538,066	358,999	10,897,065
Depreciation expense for the year	(10,104,137)	(3,796,025)	(13,900,162)
Depreciation capitalised (Note i)	<u>(763,646)</u>	-	<u>(763,646)</u>
As at 31 December 2022 (Audited)	210,297,645	2,935,753	213,233,398
Additions	21,292,444	11,813,504	33,105,948
Depreciation expense for the period (Note 18)	(8,710,536)	(4,687,605)	(13,398,141)
Depreciation capitalised (Note i)	<u>(245,075)</u>	-	<u>(245,075)</u>
As at 30 September 2023 (Reviewed)	<u>222,634,478</u>	<u>10,061,652</u>	<u>232,696,130</u>
<i>Lease liabilities</i>	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>	
As at 1 January	209,490,032	215,564,861	
Additions	33,105,948	10,897,065	
Interest expense for the period/year (Note 19)	7,496,643	7,894,821	
Interest capitalised during the period/year	-	1,069,676	
Payments	<u>(21,230,053)</u>	<u>(25,936,391)</u>	
Balance as at end of the period/year	<u>228,862,570</u>	<u>209,490,032</u>	
Current portion	<u>19,774,584</u>	<u>11,275,789</u>	
Non-current portion	<u>209,087,986</u>	<u>198,214,243</u>	

Note i:

Depreciation capitalised for the period ended 30 September 2023 consists of capitalised depreciation of right-of-use assets related to the capital work-in-progress of a warehouse facility on lease land.

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9 INVESTMENT PROPERTIES

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
At 1 January	41,476,343	41,091,331
Fair value gain	-	385,012
Balance as at end of the period/year	41,476,343	41,476,343

The investment properties comprise of buildings. The management is of the view that the fair value as at 30 September 2023 is not materially different from the fair value determined as at 31 December 2022.

10 TRADE AND OTHER RECEIVABLES

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Trade receivables	446,587,884	480,099,667
Contract assets	39,201,995	51,087,491
Less: Provision for expected credit losses	(31,947,830)	(29,908,830)
Trade receivables, net	453,842,049	501,278,328
Advances	11,537,962	42,603,281
Prepayments	132,540,391	152,754,787
Other receivables	44,101,860	51,063,576
	642,022,262	747,699,972

Set out below is the movement in the provision for expected credit losses of trade receivables:

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
At 1 January	29,908,830	27,178,330
Provision for expected credit losses made for the period/year (Note 18)	2,039,000	2,730,500
Balance as at end of the period/year	31,947,830	29,908,830

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

11 CASH AND BANK BALANCES

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Cash in hand	1,495,501	1,822,824
Cash at bank – current accounts (i)	<u>227,935,207</u>	199,471,382
Cash at bank – restricted accounts (ii)	<u>28,954,645</u>	36,932,321
 Cash and bank balance	 <u>258,385,353</u>	 238,226,527
Less: Cash at bank – restricted accounts (ii)	<u>(28,954,645)</u>	<u>(36,932,321)</u>
 Cash and cash equivalents	 <u>229,430,708</u>	 201,294,206

Notes:

- (i) Current account earns no profits.
- (ii) The restricted accounts consist of the amounts held in the banks for the dividends declared but not yet claimed by the Company's shareholders.

12 SHARE CAPITAL

	<i>30 September 2023 (Reviewed)</i>		<i>31 December 2022 (Audited)</i>	
	<i>No. of Shares</i>	<i>Value QR</i>	<i>No. of Shares</i>	<i>Value QR</i>
<i>Authorized, issued and fully paid:</i>				
Ordinary shares of QR 1 each	<u>586,031,480</u>	<u>586,031,480</u>	<u>586,031,480</u>	<u>586,031,480</u>

13 LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 an amount equal to 10% of the net profit for the year of every company incorporated in the State of Qatar is required to be transferred to a legal reserve account until such time the balance of the legal reserve account of such a company reaches 50% of its paid-up share capital. Share premium collected from the issuance of new shares is also transferred to the legal reserve. The legal reserve is not available for distribution, except in circumstances specified in the above mentioned Law.

14 DIVIDENDS

A dividend of QR 58,603,148 (QR 0.10 per share) was proposed by the Board of Directors in respect of the Group profit for the year ended 31 December 2022, which was approved by the Company's shareholders at the Company's Annual General Meeting held on 19 February 2023.

A dividend of QR 58,603,148 (QR 0.10 per share) was proposed by the Board of Directors in respect of the Group profit for the year ended 31 December 2021, which was approved by the Company's shareholders at the Company's Annual General Meeting held on 16 February 2022.

During the nine months period ended 30 September 2022, subsidiaries of the Group declared and paid dividends amounting to QR 25,000,000 to its shareholders, and the amount paid to non-controlling interest were QR 12,250,000. No dividend was declared by the subsidiaries as of 30 September 2023.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

15 ISLAMIC FINANCING

	<i>30 September 2023</i> <i>QR</i> <i>(Reviewed)</i>	<i>31 December 2022</i> <i>QR</i> <i>(Audited)</i>
Al Wukair project financing	1,021,942,323	766,426,899
Bu-Sulba project financing	345,309,579	427,644,784
LVQ project financing	166,598,425	256,559,221
Ras Laffan project financing	59,578,347	71,841,680
Working capital financing	300,000,000	200,000,000
Ras Bufontas project financing	60,244,672	69,685,191
Khazaen Economic City project financing	36,167,847	-
	1,989,841,193	1,792,157,775

The Islamic financings are presented in the interim consolidated statement of financial position as follows:

	<i>30 September 2023</i> <i>QR</i> <i>(Reviewed)</i>	<i>31 December 2022</i> <i>QR</i> <i>(Audited)</i>
Current portion	537,290,296	522,985,271
Non-current portion	1,452,550,897	1,269,172,504
	1,989,841,193	1,792,157,775

The Islamic financings are secured against the buildings and other tangible assets capitalised under property, plant and equipment and capital work-in-progress.

16 RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Transactions with related parties included in the interim consolidated statement of profit or loss and other comprehensive income are as follows:

<i>Nature of relationship</i>	<i>For the nine months period ended 30 September (Reviewed)</i>	
	<i>2023</i>	<i>2022</i>
	<i>Purchase of services QR</i>	<i>Purchase of services QR</i>
Others	Affiliate 13,470,593	10,385,383

Balances with related parties included in the interim consolidated statement financial position under trade and other payables are as follows:

<i>Nature of relationship</i>	<i>30 September 2023</i>		<i>31 December 2022</i>
	<i>Payables QR (Reviewed)</i>	<i>Payables QR (Audited)</i>	<i>Payables QR (Audited)</i>
	<i>Payables QR</i>	<i>Payables QR</i>	<i>Payables QR</i>
Others	Affiliate 831,808	428,794	428,794

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

16 RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel

The remuneration of the Board of Directors and members of key management during the period is as follows:

	<i>For the nine months period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>
	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>
<i>Short-term benefits</i>		
Key management remuneration	<u>2,520,000</u>	2,574,056
Board of Directors' remuneration	<u>5,400,000</u>	<u>5,400,000</u>
	<u>7,920,000</u>	<u>7,974,056</u>
Employees' end of service benefits	<u>112,500</u>	<u>112,500</u>

17 REVENUE

	<i>For the three months period ended 30 September</i>		<i>For the nine months period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>
Revenue from contracts with customers	<u>347,102,366</u>	388,152,884	<u>1,128,171,841</u>	1,102,360,960
Rental income from investment properties	<u>2,452,849</u>	2,445,444	<u>7,358,546</u>	7,336,332
Revenue	<u>349,555,215</u>	390,598,328	<u>1,135,530,387</u>	1,109,697,292

The Group derives its revenue from contracts with customers for the transfer of services over time and at a point in time in the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment (Note 5).

Disaggregation of revenue from contracts with customers

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

	<i>For the three months period ended 30 September</i>		<i>For the nine months period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>
<i>Revenue from contracts with customers</i>				
Logistics operations	<u>246,297,234</u>	261,866,623	<u>760,387,600</u>	708,141,367
Freight forwarding	<u>99,849,836</u>	125,489,269	<u>365,203,189</u>	392,207,314
Other	<u>955,296</u>	796,992	<u>2,581,052</u>	2,012,279
	<u>347,102,366</u>	388,152,884	<u>1,128,171,841</u>	1,102,360,960
<i>Primary geographical markets</i>				
Local operations	<u>334,819,482</u>	376,096,461	<u>1,095,918,745</u>	1,051,853,515
Foreign operations	<u>12,282,884</u>	12,056,423	<u>32,253,096</u>	50,507,445
	<u>347,102,366</u>	388,152,884	<u>1,128,171,841</u>	1,102,360,960

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17 REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers (continued)

Major products and service lines	<i>For the three months period ended 30 September</i>		<i>For the nine months period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Warehouse management services	201,595,555	214,729,411	630,442,088	588,713,759
Freight forwarding services	89,270,428	115,743,225	331,829,194	362,271,511
International move and relocation services	14,859,246	21,757,683	48,323,502	46,931,519
Records management systems	16,920,697	16,515,550	47,428,860	48,715,839
Transport services	12,921,736	8,863,979	34,193,150	23,780,250
Courier services	10,579,408	9,746,044	33,373,995	29,935,803
Others	955,296	796,992	2,581,052	2,012,279
	347,102,366	388,152,884	1,128,171,841	1,102,360,960

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Revenue	<i>For the three months period ended 30 September 2023</i>			<i>For the three months period ended 30 September 2022</i>		
	<i>Logistics operations</i>	<i>Freight forwarding</i>	<i>Other revenue</i>	<i>Logistics operations</i>	<i>Freight forwarding</i>	<i>Other revenue</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
External customer	246,297,234	99,849,836	955,296	261,866,623	125,489,269	796,992
Inter-segment	71,257,025	8,412,520	341,115	66,278,310	6,155,496	1,780
	317,554,259	108,262,356	1,296,411	328,144,933	131,644,765	798,772
Adjustments and eliminations	(71,257,025)	(8,412,520)	(341,115)	(66,278,310)	(6,155,496)	(1,780)
	246,297,234	99,849,836	955,296	261,866,623	125,489,269	796,992
Revenue	<i>For the nine months period ended 30 September 2023</i>			<i>For the nine months period ended 30 September 2022</i>		
	<i>Logistics operations</i>	<i>Freight forwarding</i>	<i>Other revenue</i>	<i>Logistics operations</i>	<i>Freight forwarding</i>	<i>Other revenue</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
External customer	760,387,600	365,203,189	2,581,052	708,141,367	392,207,314	2,012,279
Inter-segment	234,814,192	20,223,165	2,767,561	185,430,130	22,400,713	3,187,382
	995,201,792	385,426,354	5,348,613	893,571,497	414,608,027	5,199,661
Adjustments and eliminations	(234,814,192)	(20,223,165)	(2,767,561)	(185,430,130)	(22,400,713)	(3,187,382)
	760,387,600	365,203,189	2,581,052	708,141,367	392,207,314	2,012,279

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2023

18 EXPENSES BY NATURE

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023 QR (Reviewed)	2022 QR (Reviewed)	2023 QR (Reviewed)	2022 QR (Reviewed)
Staff cost (1)	82,295,460	86,681,642	252,513,022	248,371,670
Freight forwarding charges	53,656,663	77,130,990	217,259,015	254,349,423
Depreciation of property, plant and equipment	45,613,361	39,359,108	138,063,271	115,636,954
Logistic costs	34,686,039	49,443,100	122,833,852	116,180,237
Water and electricity	15,716,645	15,007,615	37,721,250	29,612,289
Repairs and maintenance	12,260,146	12,651,689	35,810,978	37,992,338
Fuel cost	6,911,765	12,306,035	18,996,053	25,928,539
Depreciation of right-of-use-assets (Note 8)	4,962,201	3,479,167	13,398,141	10,362,713
Insurance cost	2,428,281	3,336,711	7,774,758	9,733,017
Legal and professional fees	2,311,476	988,420	6,056,474	3,122,459
Board of Directors' remuneration (Note 16)	1,800,000	1,800,000	5,400,000	5,400,000
Provision for expected credit losses (Note 10)	599,000	863,000	2,039,000	1,783,500
Communication and postage	612,899	681,213	1,932,812	2,003,392
Manpower subcontract charges	399,432	728,306	1,377,075	2,432,655
Advertisement expenses	301,222	260,213	1,081,360	1,075,816
Rent expense	289,221	307,099	903,418	921,296
Amortization of intangible assets	74,780	68,601	224,946	219,899
Miscellaneous expenses	7,467,458	9,941,785	26,985,106	24,286,290
	272,386,049	315,034,694	890,370,531	889,412,487

(1) Staff cost includes a provision for employees' end of service benefits of QR 7,950,427 (2022: QR 7,287,749).

The above expenses are presented in the interim consolidated statement of profit or loss and other comprehensive income as follows:

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023 QR (Reviewed)	2022 QR (Reviewed)	2023 QR (Reviewed)	2022 QR (Reviewed)
Direct cost	238,834,413	280,286,856	789,770,673	793,579,836
General and administrative expenses	33,551,636	34,747,838	100,599,858	95,832,651
	272,386,049	315,034,694	890,370,531	889,412,487

19 FINANCE COSTS, NET

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023 QR (Reviewed)	2022 QR (Reviewed)	2023 QR (Reviewed)	2022 QR (Reviewed)
Profit on Islamic bank accounts	(1,043,795)	(14,187)	(1,180,425)	(207,581)
Profit charge on Islamic financing	23,737,513	11,551,042	68,853,660	32,300,293
Interest expense on lease liabilities	2,604,352	1,949,718	7,496,643	5,859,178
	25,298,070	13,486,573	75,169,878	37,951,890

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20 EARNINGS PER SHARE

The calculation of basic earnings per share ('EPS') is arrived by dividing the profit attributable to the shareholders of the Parent Company for the period by the weighted average number of ordinary shares outstanding at the period end.

	<i>For the three months period ended 30 September</i>		<i>For the nine months period ended 30 September</i>	
	<i>2023 QR (Reviewed)</i>	<i>2022 QR (Reviewed)</i>	<i>2023 QR (Reviewed)</i>	<i>2022 QR (Reviewed)</i>
Profit for the period attributable to equity holders of the parent	<u>53,054,054</u>	<u>59,410,881</u>	<u>167,872,114</u>	<u>174,201,500</u>
Weighted average number of shares outstanding during the period	<u>586,031,480</u>	<u>586,031,480</u>	<u>586,031,480</u>	<u>586,031,480</u>
Basic and diluted earnings per share (expressed in QR per share)	<u>0.091</u>	<u>0.101</u>	<u>0.286</u>	<u>0.297</u>

Diluted earnings per share

As the parent has no potential dilutive shares, the diluted EPS equals to the basic EPS.

21 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
<i>(a) Commitments:</i>		
Capital commitments	<u>57,299,429</u>	<u>381,292,968</u>
<i>(b) Contingent liabilities:</i>		
Bank guarantees, corporate guarantees and documentary credits	<u>176,034,646</u>	<u>204,764,020</u>

22 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. In December 2019, a new Executive Regulations for the tax was introduced in the State of Qatar, replacing the previous executive regulations. The tax exemption provided under Article 4 (paragraph 13) of the New Tax Law in relation to non-Qatari investors' share in profits in listed entities shall not be extended to subsidiaries/associates of listed entities.

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23 ASSETS ACQUISITION

In January 2021, the Company signed a Memorandum of Understandings (the “MOU”) to acquire 100% ownership of Aero Chem Logistics W.L.L. The transaction conditions were fulfilled as per the MOU and a share purchase agreement between a subsidiary of the Company and the previous shareholders of Aero Chem Logistics W.L.L. was signed in January 2023. Accordingly, the Company acquired a group of assets which includes a Chemical Storage Facility in Ras Laffan Industrial City (RLIC) and the right-of-use assets and liabilities related to the respective land.

The provisional values of the identifiable assets and liabilities of Aero Chem Logistics W.L.L. as at the date of acquisition were:

	<i>Fair value recognised on acquisition QR</i>
Assets	
Property, plant and equipment	37,500,000
Right-of-use asset	11,153,049
Liability	
Lease liability	(11,153,049)
Total identifiable net assets at fair value	37,500,000
Purchase consideration transferred	37,500,000

The valuation of the building and the right of use acquired had not been completed by the date the interim condensed consolidated financial statements were approved for issue by the Board of Directors. Thus, property, plant and equipment and right of use asset may need to be subsequently adjusted.