

Gulf Warehousing Company Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2023**

INDEX**Page(s)**

Independent auditor's report on review of interim condensed consolidated financial statements	1
Interim condensed consolidated financial statements:	
Interim consolidated statement of financial position	2
Interim consolidated statement of profit or loss and other comprehensive income	3
Interim consolidated statement of changes in equity	4
Interim consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 - 18

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 31 March 2023, which comprise of the interim consolidated statement of financial position as at 31 March 2023 and the related interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the three months period then ended, and the related explanatory notes.

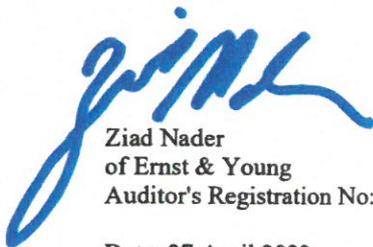
The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated 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: 27 April 2023
Doha

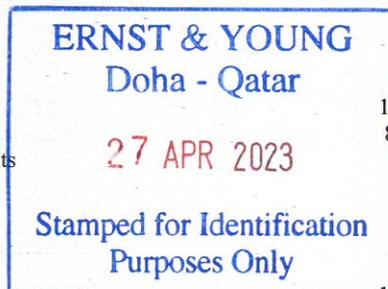


Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	31 March 2023 QR (Reviewed)	31 December 2022 QR (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,049,833,462	3,038,626,709
Capital work-in-progress	7	511,516,601	343,830,527
Right-of-use of assets	8	220,487,356	213,233,398
Investment properties	9	41,476,343	41,476,343
Intangible assets and goodwill		116,708,262	116,783,244
Refundable deposits		18,251,000	18,251,000
		<u>3,958,273,024</u>	<u>3,772,201,221</u>
Current assets			
Inventories		16,083,689	16,342,311
Trade and other receivables	10	715,742,265	747,699,972
Cash and bank balances	11	139,107,177	238,226,527
		<u>870,933,131</u>	<u>1,002,268,810</u>
TOTAL ASSETS		<u>4,829,206,155</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		1,097,333,839	1,094,452,923
Foreign currency translation reserve		(1,601,023)	(1,457,638)
Equity attributable to equity holders of the Parent		<u>2,234,271,099</u>	<u>2,231,533,568</u>
Non-controlling interests		13,527,716	11,999,312
Total equity		<u>2,247,798,815</u>	<u>2,243,532,880</u>
Liabilities			
Non-current liabilities			
Islamic financing	15	1,337,151,180	1,269,172,504
Lease liabilities	8	197,948,497	198,214,243
Employees' end of service benefits		58,039,727	57,622,254
Retention payable to contractors		17,651,210	9,915,408
		<u>1,610,790,614</u>	<u>1,534,924,409</u>
Current liabilities			
Islamic financing	15	488,578,041	522,985,271
Trade and other payables		470,210,167	461,751,682
Lease liabilities	8	11,828,518	11,275,789
		<u>970,616,726</u>	<u>996,012,742</u>
Total liabilities		<u>2,581,407,340</u>	<u>2,530,937,151</u>
TOTAL EQUITY AND LIABILITIES		<u>4,829,206,155</u>	<u>4,774,470,031</u>



These interim condensed consolidated financial statements were approved by the Parent Company's Board of Directors on 27 April 2023 and were signed on its behalf by:

Abdulla Bin Fahad J J Al Thani
Chairman

Fahad Bin Hamad J J Al Thani
Vice Chairman

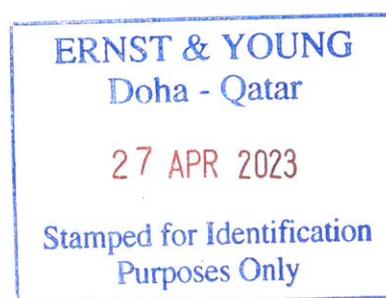
The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For the three months period ended 31 March 2023

	Notes	<i>For the three months period ended 31 March</i>	
		<i>2023 QR (Reviewed)</i>	<i>2022 QR (Reviewed)</i>
Revenue	17	412,719,981	351,373,424
Direct cost	18	(292,232,848)	(247,722,654)
Gross profit		120,487,133	103,650,770
Other income		92,723	241,478
General and administrative expenses	18	(31,558,211)	(30,885,953)
Operating profit		89,021,645	73,006,295
Finance costs, net	19	(25,545,882)	(12,551,210)
Profit before tax		63,475,763	60,455,085
Income tax expense	22	(463,295)	(490,568)
Profit for the period		63,012,468	59,964,517
Other comprehensive loss:			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(143,385)	(12,775)
Total comprehensive income		62,869,083	59,951,742
Profit attributable to:			
Equity holders of the Parent		61,484,064	57,801,359
Non-controlling interest		1,528,404	2,163,158
		63,012,468	59,964,517
Total comprehensive income attributable to:			
Equity holders of the Parent		61,340,679	57,788,584
Non-controlling interest		1,528,404	2,163,158
		62,869,083	59,951,742
Earnings per share:			
Basic and diluted earnings per share	20	0.105	0.099



Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2023

	Attributable to equity holders of the Parent						Total equity QR
	Share capital QR	Legal reserve QR	Retained earnings QR	Foreign currency translation reserve QR	Total QR	Non- controlling interests 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	-	-	61,484,064	-	61,484,064	1,528,404	63,012,468
Other comprehensive income	-	-	-	(143,385)	(143,385)	-	(143,385)
Total comprehensive income for the period	-	-	61,484,064	(143,385)	61,340,679	1,528,404	62,869,083
Dividends (Note 14)	-	-	(58,603,148)	-	(58,603,148)	-	(58,603,148)
Balance at 31 March 2023 (Reviewed)	586,031,480	552,506,803	1,097,333,839	(1,601,023)	2,234,271,099	13,527,716	2,247,798,815
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	-	-	57,801,359	-	57,801,359	2,163,158	59,964,517
Other comprehensive income	-	-	-	(12,775)	(12,775)	-	(12,775)
Total comprehensive income for the period	-	-	57,801,359	(12,775)	57,788,584	2,163,158	59,951,742
Dividends (Note 14)	-	-	(58,603,148)	-	(58,603,148)	-	(58,603,148)
Balance at 31 March 2022 (Reviewed)	586,031,480	552,506,803	929,477,760	(555,959)	2,067,460,084	16,751,011	2,084,211,095

ERNST & YOUNG
Doha - Qatar

27 APR 2023

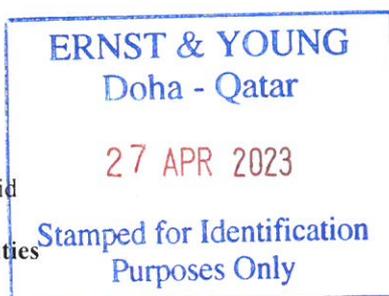
Stamped for Identification
Purposes Only

Gulf Warehousing Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2023

	Notes	For the three months period ended 31 March	
		2023	2022
		QR (Reviewed)	QR (Reviewed)
OPERATING ACTIVITIES			
Profit before tax for the period		63,475,763	60,455,085
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	18	46,006,380	37,987,873
Depreciation of right-of-use-assets	18	3,654,016	3,434,294
Amortisation of intangible assets	18	74,982	78,039
Provision for expected credit losses	10	865,000	317,000
Loss on sale of property, plant and equipment	6	260,271	-
Provision for employees' end of service benefits	18	2,531,243	2,312,861
Profit charge on Islamic financing	19	23,420,213	10,726,055
Interest expense on lease liabilities	19	2,125,669	1,949,720
Profit on Islamic bank accounts	19	-	(124,565)
Operating profit before working capital changes		142,413,537	117,136,362
<i>Working capital adjustments:</i>			
Inventories		258,622	(1,174,892)
Trade and other receivables		30,607,171	(57,245,829)
Trade and other payables		15,114,420	7,503,488
Cash flows from operating activities		188,393,750	66,219,129
Employees' end of service benefits paid		(2,113,770)	(997,629)
Net cash flows from operating activities		186,279,980	65,221,500
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(14,638,545)	(15,187,309)
Acquisition of a subsidiary	23	(37,500,000)	-
Payment towards capital work-in-progress		(166,660,378)	(43,514,736)
Profit received on Islamic bank accounts		46,996	171,561
Net movement in restricted short-term deposit accounts		(7,493,933)	(11,303,882)
Net cash flows used in investing activities		(226,245,860)	(69,834,366)
FINANCING ACTIVITIES			
Proceeds from Islamic financing		127,940,995	29,131,517
Repayments on Islamic financing		(94,369,549)	(81,199,332)
Payment of principal portion of lease liabilities		(12,991,735)	(8,250,981)
Profit paid on Islamic financing		(28,852,022)	(14,622,624)
Dividends paid	14	(58,603,148)	(58,603,148)
Net cash flows used in financing activities		(66,875,459)	(133,544,568)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(106,841,339)	(138,157,434)
Net foreign exchange difference		228,056	(30,370)
Cash and cash equivalents at beginning of period		201,294,206	209,381,852
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	94,680,923	71,194,048



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 31 March 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>31 March 2023</i>	<i>31 December 2022</i>
Flag Logistics Services W.L.L. (Formerly Agility 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. (Formerly GWC Logistic S.P.C.)	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%
Flag SPC (Formerly Gulf Warehousing Company 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%
Aero Chem Logistics W.L.L.	State of Qatar	Trading in chemicals, plastic pipes and its accessories	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 31 March 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>31 March 2023</i>	<i>31 December 2022</i>
LEDD Technologies India Pvt. Ltd. (ii)	India	Information technology services	100%	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. (Formerly GWC Food Services 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. (ii)	State of Qatar	Trading food and other consumables	51%	51%
Gulf Warehousing Bhumi Projects W.L.L. (iii)	State of Qatar	General construction contract (general contracting)	51%	51%
GWC Logistics QFZ Branch	State of Qatar	Logistics and Courier services	100%	100%
GWC Energy Services W.L.L. (Formerly Synergy Shipping Services W.L.L.)	State of Qatar	Shipping agent	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%	-

(ii) These entities are under liquidation

(iii) Gulf Warehousing Bhumi Projects W.L.L. was liquidated and the commercial registration was cancelled in February 2023.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 31 March 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.

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 three months ended 31 March 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.

Reportable segments

Logistics operations
Freight forwarding
Rentals
Others

Operations

Storage, handling, packaging and transportation
Freight services through land, air and sea
Rental income
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 31 March 2023

5 SEGMENTAL INFORMATION (CONTINUED)

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

<i>Revenue / profit</i>	<i>31 March 2023</i>			<i>31 March 2022</i>		
	<i>(Reviewed)</i>			<i>(Reviewed)</i>		
	<i>Segment revenue</i>			<i>Segment revenue</i>		
	<i>External</i>	<i>Inter-</i>	<i>Segment</i>	<i>External</i>	<i>Inter-</i>	<i>Segment</i>
	<i>QR</i>	<i>segment</i>	<i>profit</i>	<i>QR</i>	<i>segment</i>	<i>profit</i>
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Logistics operations	271,627,605	93,504,225	51,854,140	222,264,715	59,967,150	49,096,493
Freight forwarding	138,002,387	5,738,446	9,196,673	125,679,572	7,251,415	8,488,081
Rentals	2,452,849	-	2,362,804	2,445,444	-	2,355,399
Others	637,140	1,547,694	62,146	983,693	994,761	515,112
	412,719,981	100,790,365	63,475,763	351,373,424	68,213,326	60,455,085

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

<i>Assets / liabilities</i>	<i>31 March 2023</i>		<i>31 December 2022</i>	
	<i>(Reviewed)</i>		<i>(Audited)</i>	
	<i>Segment</i>	<i>Segment</i>	<i>Segment</i>	<i>Segment</i>
	<i>assets</i>	<i>liabilities</i>	<i>assets</i>	<i>liabilities</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Logistics operations	4,271,944,769	2,266,539,150	4,188,724,999	2,211,094,580
Freight forwarding	385,362,489	206,722,947	400,870,737	198,613,613
Investment properties	41,476,343	-	41,476,343	-
Others	130,422,554	105,184,677	143,397,952	118,744,712
	4,829,206,155	2,578,446,774	4,774,470,031	2,528,452,905
Total unallocated assets and liabilities	-	2,960,566	-	2,484,246
Total consolidated assets and liabilities	4,829,206,155	2,581,407,340	4,774,470,031	2,530,937,151

6 PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the three months period ended 31 March 2023, the Group acquired assets with a cost of QR 14,638,545 (three months period ended 31 March 2022: QR 15,187,309), excluding building acquired through an acquisition of an entity (Note 23).

Transfers

During the three months period ended 31 March 2023, assets with a cost of QR 5,334,859 (three months period ended 31 March 2022: QR 19,954,964) were transferred to property, plant and equipment from Capital work-in-progress (Note 7).

Disposals

During the three months period ended 31 March 2023, the Group disposed assets with a cost of QR 689,379 having a carrying value of QR 260,271 resulting to a loss on disposal of QR 260,271 (three months period ended 31 March 2022: Nil).

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 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 and Al Wukair Phase 2 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 31 March 2023 was QR 6,115,480 (31 March 2022: QR 4,224,482). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was 6.19% (31 March 2022: 3.68%) 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 QR</i>	<i>Building QR</i>	<i>Total 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 period	(10,104,137)	(3,796,025)	(13,900,162)
Depreciation capitalised (Note i)	(763,646)	-	(763,646)
As at 31 December 2022	210,297,645	2,935,753	213,233,398
Additions (Note 23)	11,153,049	-	11,153,049
Depreciation expense for the period (Note 18)	(2,700,884)	(953,132)	(3,654,016)
Depreciation capitalised (Note i)	(245,075)	-	(245,075)
As at 31 March 2023 (Reviewed)	218,504,735	1,982,621	220,487,356
<i>Lease liabilities</i>		<i>31 March 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
As at 1 January		209,490,032	215,564,861
Additions		11,153,049	10,897,065
Interest expense for the period/year (Note 19)		2,125,669	7,894,821
Interest capitalised during the period/year		-	1,069,676
Payments		(12,991,735)	(25,936,391)
Balance as at end of the period/year		209,777,015	209,490,032
Current portion		11,828,518	11,275,789
Non-current portion		197,948,497	198,214,243

Note i:

Depreciation capitalised for the period ended 31 March 2023 consists of capitalised depreciation of right-of-use assets related to the capital work-in-progress of a warehouse facility on lease land.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2023

9 INVESTMENT PROPERTIES

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

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

10 TRADE AND OTHER RECEIVABLES

	<i>31 March 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Trade receivables	481,941,043	480,099,667
Contract assets	42,007,914	51,087,491
Less: Provision for expected credit losses	<u>(30,773,830)</u>	<u>(29,908,830)</u>
Trade receivables, net	493,175,127	501,278,328
Advances	40,242,579	42,603,281
Prepayments	133,296,419	152,754,787
Other receivables	<u>49,028,140</u>	<u>51,063,576</u>
	<u><u>715,742,265</u></u>	<u><u>747,699,972</u></u>

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

	<i>31 March 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)	<u>865,000</u>	<u>2,730,500</u>
Balance as at end of the period/year	<u><u>30,773,830</u></u>	<u><u>29,908,830</u></u>

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2023

11 CASH AND BANK BALANCES

	<i>31 March 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Cash in hand	1,627,374	1,822,824
Cash at bank – current accounts (i)	93,053,549	199,471,382
Cash at bank – restricted accounts (ii)	<u>44,426,254</u>	<u>36,932,321</u>
Cash and bank balance	139,107,177	238,226,527
Less: Cash at bank – restricted accounts (ii)	<u>(44,426,254)</u>	<u>(36,932,321)</u>
Cash and cash equivalents	<u><u>94,680,923</u></u>	<u><u>201,294,206</u></u>

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>31 March 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.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2023

15 ISLAMIC FINANCING

	<i>31 March 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Al Wukair project financing	873,543,864	766,426,899
Bu-Sulba project financing	400,558,164	427,644,784
LVQ project financing	219,947,320	256,559,221
Ras Laffan project financing	66,731,872	71,841,680
Working capital financing	200,000,000	200,000,000
Ras Bufontas project financing	64,948,001	69,685,191
	<u>1,825,729,221</u>	<u>1,792,157,775</u>

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

	<i>31 March 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Current portion	488,578,041	522,985,271
Non-current portion	1,337,151,180	1,269,172,504
	<u>1,825,729,221</u>	<u>1,792,157,775</u>

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 three months period ended 31 March (Reviewed)</i>			
		<i>2023</i>		<i>2022</i>	
		<i>Revenue QR</i>	<i>Purchase of services QR</i>	<i>Revenue QR</i>	<i>Purchase of services QR</i>
Others	Affiliate	-	4,356,763	-	2,949,004

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

	<i>Nature of relationship</i>	<i>31 March 2023</i>				<i>31 December 2022</i>			
		<i>Receivables</i>		<i>Payables</i>		<i>Receivables</i>		<i>Payables</i>	
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Others	Affiliate	-	402,053	-	428,794	-	402,053	-	428,794
		<u>-</u>	<u>402,053</u>	<u>-</u>	<u>428,794</u>	<u>-</u>	<u>402,053</u>	<u>-</u>	<u>428,794</u>

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 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 three months period ended 31 March</i>	
	<i>2023 QR (Reviewed)</i>	<i>2022 QR (Reviewed)</i>
<i>Short-term benefits</i>		
Key management remuneration	840,000	840,000
Board of Directors' remuneration	1,800,000	1,800,000
	<u>2,640,000</u>	<u>2,640,000</u>
Employees' end of service benefits	<u>37,500</u>	<u>37,500</u>

17 REVENUE

	<i>For the three months period ended 31 March</i>	
	<i>2023 QR (Reviewed)</i>	<i>2022 QR (Reviewed)</i>
Revenue from contracts with customers	410,267,132	348,927,980
Rental income from investment properties	2,452,849	2,445,444
Revenue	<u>412,719,981</u>	<u>351,373,424</u>

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 31 March</i>	
	<i>2023 QR (Reviewed)</i>	<i>2022 QR (Reviewed)</i>
<i>Revenue from contracts with customers</i>		
Logistics operations	271,627,605	222,264,715
Freight forwarding	138,002,387	125,679,572
Other	637,140	983,693
	<u>410,267,132</u>	<u>348,927,980</u>
<i>Primary geographical markets</i>		
Local operations	402,049,036	326,363,052
Foreign operations	8,218,096	22,564,928
	<u>410,267,132</u>	<u>348,927,980</u>

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2023

17 REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers (continued)

	<i>For the three months period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>QR (Reviewed)</i>	<i>QR (Reviewed)</i>
<i>Major service lines</i>		
Warehouse management services	230,381,108	187,019,878
Freight forwarding services	123,963,129	116,246,319
Records management systems	18,367,684	16,019,131
International move and relocation services	14,262,353	11,712,677
Courier services	14,039,258	9,433,253
Transport services	8,616,460	7,513,029
Others	637,140	983,693
	<u>410,267,132</u>	<u>348,927,980</u>

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

	<i>For the three months period ended 31 March 2023 (Reviewed)</i>			<i>For the three months period ended 31 March 2022 (Reviewed)</i>		
	<i>Logistics operations QR</i>	<i>Freight forwarding QR</i>	<i>Other revenue QR</i>	<i>Logistics operations QR</i>	<i>Freight forwarding QR</i>	<i>Other revenue QR</i>
	<i>Revenue</i>					
External customer	271,627,605	138,002,387	637,140	222,264,715	125,679,572	983,693
Inter-segment	93,504,225	5,738,446	1,547,694	59,967,150	7,251,415	994,761
	365,131,830	143,740,833	2,184,834	282,231,865	132,930,987	1,978,454
Adjustments and eliminations	(93,504,225)	(5,738,446)	(1,547,694)	(59,967,150)	(7,251,415)	(994,761)
	<u>271,627,605</u>	<u>138,002,387</u>	<u>637,140</u>	<u>222,264,715</u>	<u>125,679,572</u>	<u>983,693</u>

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2023

18 EXPENSES BY NATURE

	<i>For the three months period ended 31 March</i>	
	<u>2023</u>	<u>2022</u>
	QR <i>(Reviewed)</i>	QR <i>(Reviewed)</i>
Freight forwarding charges	88,205,628	81,244,788
Staff cost (1)	88,130,533	78,852,202
Logistic costs	51,360,771	39,270,503
Depreciation of property, plant and equipment	46,006,380	37,987,873
Repairs and maintenance	11,738,794	12,573,311
Water and electricity	10,155,635	4,111,645
Fuel cost	6,238,859	4,913,143
Depreciation of right-of-use-assets (Note 8)	3,654,016	3,434,294
Insurance cost	2,840,344	3,169,237
Board of Directors' remuneration	1,800,000	1,800,000
Legal and professional fees	1,207,488	1,077,120
Provision made for impairment of trade receivables (Note 10)	865,000	317,000
Communication and postage	659,491	648,441
Manpower subcontract charges	543,038	941,195
Advertisement expenses	400,746	545,842
Rent expense	307,099	307,099
Amortization of intangible assets	74,982	78,039
Miscellaneous expenses	9,602,255	7,336,875
	<u>323,791,059</u>	<u>278,608,607</u>

(1) Staff cost includes a provision for employees' end of service benefits of QR 2,531,243 (2022: QR 2,312,861).

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

	<i>For the three months period ended 31 March</i>	
	<u>2023</u>	<u>2022</u>
	QR <i>(Reviewed)</i>	QR <i>(Reviewed)</i>
Direct cost	292,232,848	247,722,654
General and administrative expenses	31,558,211	30,885,953
	<u>323,791,059</u>	<u>278,608,607</u>

19 FINANCE COSTS, NET

	<i>For the three months period ended 31 March</i>	
	<u>2023</u>	<u>2022</u>
	QR <i>(Reviewed)</i>	QR <i>(Reviewed)</i>
Profit on Islamic bank accounts	-	(124,565)
Profit charge on Islamic financing	23,420,213	10,726,055
Interest expense on lease liabilities (Note 8)	2,125,669	1,949,720
	<u>25,545,882</u>	<u>12,551,210</u>

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2023

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 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>QR</i>	<i>QR</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period attributable to equity holder of the parent	<u>61,384,064</u>	<u>57,801,359</u>
Weighted average number of shares outstanding during the period	<u>586,031,480</u>	<u>586,031,480</u>
Basic and diluted earnings per share (expressed in QR per share)	<u>0.105</u>	<u>0.099</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>31 March 2023</i>	<i>31 December 2022</i>
	<i>QR</i>	<i>QR</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
<i>(a) Commitments:</i>		
Capital commitments	<u>239,111,391</u>	<u>381,292,968</u>
<i>(b) Contingent liabilities:</i>		
Bank guarantees, corporate guarantees and documentary credits	<u>185,113,148</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.

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.

Gulf Warehousing Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2023

23 ASSETS ACQUISITION (CONTINUED)

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	<u>(11,153,049)</u>
Total identifiable net assets at fair value	<u>37,500,000</u>
Purchase consideration transferred	<u>37,500,000</u>

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.