

Gulf Warehousing Company Q.P.S.C.
Condensed Consolidated Interim Financial Statements
For the six months period ended
30 June 2024

Gulf Warehousing Company Q.P.S.C.

**Condensed Consolidated Interim Financial Statements
As at and for the six months period ended 30 June 2024**

Index	Page(s)
Independent auditors' report on review of condensed consolidated interim financial statements	1-2
Condensed consolidated interim financial statements:	
Condensed consolidated statement of financial position	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 - 18



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: kpmg.com/qa

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

To the Shareholders of Gulf Warehousing Company Q.P.S.C.

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of Gulf Warehousing Company Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-months and six-months period ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-months period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-months period ended 30 June 2024; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Group is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial statement 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 30 June 2024 condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.



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

Gulf Warehousing Company Q.P.S.C.

Other matter

The condensed consolidated interim financial statements as at and for the three months and six months period ended 30 June 2023 were reviewed and the consolidated financial statements as at and for the year ended 31 December 2023 were audited, by another auditor whose reports dated 25 July 2023 and 23 January 2024 respectively expressed an unmodified review conclusion and audit opinion thereon.

23 July 2024
Doha
State of Qatar




Gopal Balasubramaniam
KPMG

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

Gulf Warehousing Company Q.P.S.C.


**Condensed consolidated statement of financial position
As at 30 June 2024**

In Qatari Riyals

	Notes	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,743,806,869	3,707,618,029
Capital work-in-progress	7	48,997,255	117,233,671
Right-of-use of assets	8	234,567,733	241,582,466
Intangible assets and goodwill		120,093,181	120,996,868
Investment properties		41,476,343	41,476,343
Refundable deposits		18,251,000	18,251,000
		4,207,192,381	4,247,158,377
Current assets			
Inventories		8,245,877	10,714,681
Trade and other receivables	9	666,361,398	658,907,387
Cash and bank balances	10	199,698,186	280,182,546
		874,305,461	949,804,614
TOTAL ASSETS		5,081,497,842	5,196,962,991
EQUITY AND LIABILITIES			
Equity			
Share capital		586,031,480	586,031,480
Legal reserve		552,506,803	552,506,803
Retained earnings		1,281,276,809	1,245,389,063
Foreign currency translation reserve		(1,614,491)	(921,618)
Equity attributable to shareholders of the Company		2,418,200,601	2,383,005,728
Non-controlling interests		21,047,337	20,023,536
Total equity		2,439,247,938	2,403,029,264
Liabilities			
Non-current liabilities			
Islamic financing	12	1,342,385,067	1,452,868,849
Lease liabilities	8	218,654,490	226,955,053
Employees' end of service benefits		59,739,707	60,212,388
Retention payable to contractors		3,022,614	475,107
		1,623,801,878	1,740,511,397
Current liabilities			
Islamic financing	12	599,647,917	563,615,646
Trade and other payables		400,999,384	473,476,978
Lease liabilities	8	17,800,725	16,329,706
		1,018,448,026	1,053,422,330
Total liabilities		2,642,249,904	2,793,933,727
TOTAL EQUITY AND LIABILITIES		5,081,497,842	5,196,962,991

These condensed consolidated interim financial statements were approved by the Company's Board of Directors on 23 July 2024 and were signed on its behalf by:


Mohammed Bin-Hamad J J Al Thani
Chairman


Fahad Bin Hamad J J Al Thani
Vice Chairman

The attached notes on pages from 7 to 18 form an integral part of these condensed consolidated interim financial statements.

Gulf Warehousing Company Q.P.S.C.

Condensed consolidated statement of profit or loss and other comprehensive income
For the three months and six months period ended 30 June 2024

In Qatari Riyals

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Revenue	14	372,606,327	373,255,191	748,337,676	785,975,172
Direct cost	15	(262,283,239)	(258,703,412)	(521,004,150)	(550,936,260)
Gross profit		110,323,088	114,551,779	227,333,526	235,038,912
Other income		8,619,146	147,087	8,746,455	239,810
Provision for expected credit losses		(375,000)	(575,000)	(950,000)	(1,440,000)
General and administrative expenses	15	(32,615,297)	(34,915,011)	(61,695,076)	(65,608,222)
Operating profit		85,951,937	79,208,855	173,434,905	168,230,500
Finance costs, net	16	(34,704,115)	(24,325,926)	(70,483,349)	(49,871,808)
Profit before tax		51,247,822	54,882,929	102,951,556	118,358,692
Income tax expense		(1,261,957)	(303,090)	(1,576,546)	(766,385)
Profit for the period		49,985,865	54,579,839	101,375,010	117,592,307
Other comprehensive loss:					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		671,953	62,470	(692,873)	(80,915)
Total comprehensive income		50,657,818	54,642,309	100,682,137	117,511,392
Profit attributable to:					
Owners of the Company		49,472,129	53,333,996	100,351,209	114,818,060
Non-controlling interests		513,736	1,245,843	1,023,801	2,774,247
		49,985,865	54,579,839	101,375,010	117,592,307
Total comprehensive income attributable to:					
Owners of the Company		50,144,082	53,396,466	99,658,336	114,737,145
Non-controlling interests		513,736	1,245,843	1,023,801	2,774,247
		50,657,818	54,642,309	100,682,137	117,511,392
Earnings per share:					
Basic and diluted earnings per share	17	0.084	0.091	0.171	0.196



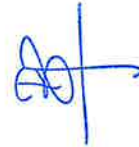
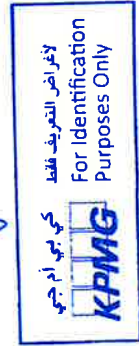
The attached notes on pages from 7 to 18 form an integral part of these condensed consolidated interim financial statements.

Gulf Warehousing Company Q.P.S.C.

**Condensed consolidated statement of changes in equity
For the six months period ended 30 June 2024**

In Qatari Riyals

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Legal reserve	Retained earnings	Foreign currency translation reserve	Total		
Balance at 1 January 2023 (Audited)	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	-	-	114,818,060	-	114,818,060	2,774,247	117,592,307
Other comprehensive income	-	-	-	(80,915)	(80,915)	-	(80,915)
Total comprehensive income for the period	-	-	114,818,060	(80,915)	114,737,145	2,774,247	117,511,392
Dividends (Note 11)	-	-	(58,603,148)	-	(58,603,148)	-	(58,603,148)
Balance at 30 June 2023 (Reviewed)	586,031,480	552,506,803	1,150,667,835	(1,538,553)	2,287,667,565	14,773,559	2,302,441,124
Balance at 31 December 2023 (Audited)	586,031,480	552,506,803	1,245,389,063	(921,618)	2,383,005,728	20,023,536	2,403,029,264
Profit for the period	-	-	100,351,209	-	100,351,209	1,023,801	101,375,010
Other comprehensive income	-	-	-	(692,873)	(692,873)	-	(692,873)
Total comprehensive income for the period	-	-	100,351,209	(692,873)	99,658,336	1,023,801	100,682,137
Dividends (Note 11)	-	-	(64,463,463)	-	(64,463,463)	-	(64,463,463)
Balance at 30 June 2024 (Reviewed)	586,031,480	552,506,803	1,281,276,809	(1,614,491)	2,418,200,601	21,047,337	2,439,247,938

The attached notes on pages from 7 to 18 form an integral part of these condensed consolidated interim financial statements.

Gulf Warehousing Company Q.P.S.C.

**Condensed consolidated statement of cash flows
For the six months period ended 30 June 2024**

In Qatari Riyals

	Notes	For the six months period ended 30 June	
		2024 (Reviewed)	2023 (Reviewed)
OPERATING ACTIVITIES			
Profit before tax for the period		102,951,556	118,358,692
Adjustments for:			
Depreciation of property, plant and equipment	15	108,229,401	92,449,910
Depreciation of right-of-use-assets	15	11,130,730	8,435,940
Amortisation of intangible assets	15	903,687	150,166
Provision for expected credit losses	9	950,000	1,440,000
Loss on sale of property, plant and equipment	6	275,023	260,271
Provision for employees' end of service benefits	15	5,636,333	5,356,574
Profit charge on Islamic financing	16	66,625,400	45,116,147
Finance cost on lease liabilities	16	4,946,436	4,892,291
Profit on Islamic bank accounts	16	(1,088,487)	(136,630)
Operating profit before working capital changes		300,560,079	276,323,361
Working capital adjustments:			
Inventories		2,468,804	80,524
Trade and other receivables		(9,484,998)	75,233,511
Trade and other payables		(65,796,215)	14,811,548
Cash flows from operating activities		227,747,670	366,448,944
Employees' end of service benefits paid		(6,109,014)	(4,084,264)
Tax paid		(2,267,348)	(2,031,026)
Net cash flows from operating activities		219,371,308	360,333,654
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(33,699,447)	(24,520,086)
Acquisition of a subsidiary		-	(37,500,000)
Payment towards capital work-in-progress		(41,502,533)	(301,855,797)
Proceeds from disposal of property, plant and equipment		173,682	-
Profit received on Islamic bank accounts		1,553,145	136,629
Net cash flows used in investing activities		(73,475,153)	(363,739,254)
FINANCING ACTIVITIES			
Proceeds from Islamic financing		52,094,160	335,592,652
Repayments on Islamic financing		(126,545,671)	(185,657,727)
Payment of principal portion of lease liabilities	8	(16,907,231)	(16,308,683)
Profit paid on Islamic financing		(69,686,990)	(58,263,817)
Dividends paid	11	(64,463,463)	(58,603,148)
Net cash flows (used in) / from financing activities		(225,509,195)	16,759,277
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS			
		(79,613,040)	13,353,677
Net foreign exchange difference		(123,795)	245,417
Cash and cash equivalents at beginning of period		251,499,942	201,294,206
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10	171,763,107	214,893,300



The attached notes on pages from 7 to 18 form an integral part of these condensed consolidated interim financial statements.

Gulf Warehousing Company Q.P.S.C.

Notes to the condensed consolidated interim financial statements As at and for the six months period ended 30 June 2024

1. Reporting entity

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 condensed consolidated interim 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:

Name of entities	Country of incorporation	Principal activities	Ultimate ownership interest	
			2024	2023
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	Marine shipping agent	100%	100%
Prime Inspection Services W.L.L. (Formerly known as Prime Container Services W.L.L.)	State of Qatar	Containers transportation, maintenance and repairing 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.*	State of Qatar	Shipping agent	51%	51%
Qontrac Shipping Services W.L.L.*	State of Qatar	Shipping agent	51%	51%
GWC Shipping Services W.L.L.*	State of Qatar	Shipping agent	51%	51%
GWC Marine Services W.L.L.*	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%

* 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 condensed consolidated interim financial statements As at and for the six months period ended 30 June 2024

1. Reporting entity (continued)

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

Name of entities	Country of incorporation	Principal activity	Ultimate ownership interest	
			2024	2023
LEDD Technologies India Pvt. Ltd.**	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. (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.**	State of Qatar	Trading food and other consumables	-	51%
Gulf Warehousing Bumi Projects W.L.L.**	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 services and courier transport	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%	-

2. Basis of accounting

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). The Group has prepared the condensed consolidated interim 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 condensed consolidated interim financial statements As at and for the six months period ended 30 June 2024

2. Basis of accounting (continued)

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

The condensed consolidated interim 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 2023 ('last annual financial statements'). In addition, the results for the three months and six months ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3. Use of judgements and estimates

In preparing these condensed consolidated interim 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 the Accounting Standards, including the level in the fair value hierarchy in which the valuation should be reclassified.

When measuring the fair value of an assets or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability. Either directly or indirectly; and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

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

4. Change in accounting policies

Except as described below, the accounting policies applied in these interim financial statements are same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

(a) New standards, amendments and interpretations

The Group adopted the following new and amended International Accounting Standards/ International Financial Reporting Standards as of 1 January 2024: The adoption of the below did not result in changes to previously reported net profit or equity of the Group.

Effective Date	New Accounting Standards or amendments
1 January 2024	Non-current liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non - Current - Amendments to IAS 1
	Lease Liability in a sale and Leaseback - Amendments to IFRS 16
	Supplier Finance Arrangements – Amendments to IAS 7 IFRS 7.

4. Change in accounting policies (continued)

(b) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption.

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning after 1 January 2024 have not been applied in preparing these financial statements.

Effective Date	New Accounting Standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
<i>Effective date deferred indefinitely / available for optional adoption</i>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Management does not expect that the adoption of the above new and amended standards and interpretation to a standard will have a significant impact on the Group's condensed consolidated interim financial statements.

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	Operations
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.

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

Revenue / profit	30 June 2024			30 June 2023		
	(Reviewed)			(Reviewed)		
	Segment revenue		Segment profit	Segment revenue		Segment profit
External	Inter-segment	External		Inter-segment		
Logistics operations	483,225,011	143,402,705	62,484,422	510,985,750	163,557,167	93,626,210
Freight forwarding	260,469,636	26,391,878	29,196,370	268,457,969	11,810,645	19,913,045
Rentals	2,882,996	-	2,711,600	4,905,697	-	4,725,607
Others	1,760,033	344,947	8,559,164	1,625,756	2,426,446	93,830
	748,337,676	170,139,530	102,951,556	785,975,172	177,794,258	118,358,692

Gulf Warehousing Company Q.P.S.C.

Notes to the condensed consolidated interim financial statements As at and for the six months period ended 30 June 2024

In Qatari Riyals

5. Segmental information (continued)

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

Assets / liabilities	30 June 2024		31 December 2023	
	(Reviewed)		(Audited)	
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Logistics operations	4,473,486,207	2,337,270,081	4,537,810,682	2,455,706,048
Freight forwarding	410,441,226	212,027,538	414,189,411	218,413,664
Investment properties	41,476,343	-	41,476,343	-
Others	156,094,066	92,231,825	203,486,555	117,798,632
	<u>5,081,497,842</u>	<u>2,641,529,444</u>	<u>5,196,962,991</u>	<u>2,791,918,344</u>
Total unallocated assets and liabilities	-	720,460	-	2,015,383
Total consolidated assets and liabilities	<u>5,081,497,842</u>	<u>2,642,249,904</u>	<u>5,196,962,991</u>	<u>2,793,933,727</u>

6. Property, plant and equipment

Acquisitions

During the six months period ended 30 June 2024, the Group acquired assets with a cost of QR 33,699,447 (six months period ended 30 June 2023: QR 62,020,086).

Transfers

During the six months period ended 30 June 2024, assets with a cost of QR 111,167,499 (six months period ended 30 June 2023: QR 5,334,859) were transferred to property, plant and equipment from Capital work-in-progress (Note 7).

Disposals

During the six months period ended 30 June 2024, the Group disposed assets with carrying value of QR 448,705, resulting to a loss on disposal of QR 275,023 (six months period ended 30 June 2023: disposed assets with carrying value of QR 260,271 resulting to a loss on disposal of QR 260,271).

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 Ras Laffan Industrial City project (RLIC 46K) 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 June 2024 was QR 413,296 (30 June 2023: QR 14,775,394). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was 6.45% (30 June 2023: 6.53%) per annum, which was the effective profit charge rate of the specific financing facilities.

Gulf Warehousing Company Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2024**

In Qatari Riyals

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:

Right-of-use assets	Land	Building	Total
As at 1 January 2023 (Audited)	210,297,645	2,935,753	213,233,398
Additions	25,204,029	11,813,504	37,017,533
Additions via acquisition of subsidiary	11,153,049	-	11,153,049
Depreciation expense for the period	(12,483,340)	(6,415,003)	(18,898,343)
Depreciation capitalised (Note i)	(923,171)	-	(923,171)
As at 31 December 2023 (Audited)	233,248,212	8,334,254	241,582,466
Additions	-	4,794,093	4,794,093
Depreciation expense for the period (Note 15)	(7,225,728)	(3,905,002)	(11,130,730)
Depreciation capitalised (Note i)	(678,096)	-	(678,096)
As at 30 June 2024 (Reviewed)	225,344,388	9,223,345	234,567,733

Lease liabilities	30 June 2024 (Reviewed)	31 December 2023 (Audited)
As at 1 January	243,284,759	209,490,032
Additions	4,794,093	37,017,533
Additions via acquisition of subsidiary	-	11,153,049
Interest expense for the period/year (Note 16)	4,946,436	10,280,296
Interest capitalised during the period/year	337,158	725,612
Payments	(16,907,231)	(25,381,763)
Balance as at end of the period/year	236,455,215	243,284,759
Current portion	17,800,725	16,329,706
Non-current portion	218,654,490	226,955,053

Note i:

Depreciation capitalised for the period ended 30 June 2024 consists of capitalised depreciation of right-of-use assets related to the capital work-in-progress of a warehouse facility on lease land.

9. Trade and other receivables

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Trade receivables	417,714,913	448,658,149
Contract assets	27,478,078	28,486,768
Less: Provision for expected credit losses	(24,212,460)	(23,364,051)
Trade receivables, net	420,980,531	453,780,866
Advances	29,241,024	8,323,022
Prepayments	159,396,727	141,847,782
Other receivables	56,743,116	54,955,717
Balance as at end of the period/year	666,361,398	658,907,387

Gulf Warehousing Company Q.P.S.C.

Notes to the condensed consolidated interim financial statements As at and for the six months period ended 30 June 2024

In Qatari Riyals

9. Trade and other receivables (continued)

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	23,364,051	29,908,830
Amount written off against provision	(101,591)	(10,456,923)
Provision for expected credit losses made for the period/year	950,000	3,912,144
Balance as at end of the period/year	<u>24,212,460</u>	<u>23,364,051</u>

10. Cash and bank balances

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Cash in hand	1,442,535	1,433,801
Cash at bank - current accounts (i)	136,320,572	160,452,511
Cash at bank – short – term deposit accounts	34,000,000	89,613,630
Cash at bank - restricted accounts (ii)	27,935,079	28,682,604
Cash and bank balance	199,698,186	280,182,546
Less: Cash at bank – restricted accounts (ii)	(27,935,079)	(28,682,604)
Cash and cash equivalents	<u>171,763,107</u>	<u>251,499,942</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.

11. Dividends

A dividend of QR 64,463,463 (QR 0.11 per share) (QR 58,603,148 (0.10 per share) for the year ended 31 December 2022) was proposed by the Board of Directors in respect of the Group profit for the year ended 31 December 2023, which was approved by the Company's equity holders at the Company's Annual General Meeting held on 7 February 2024 (2022: 19 February 2023).

12. Islamic financing

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Al Wukair project financing	1,026,251,551	1,052,318,322
Bu-Sulba project financing	259,562,668	317,340,335
LVQ project financing	125,689,330	151,975,710
Ras Laffan project financing	79,419,815	57,503,232
Working capital financing	310,000,000	310,000,000
Ras Bufontas project financing	52,912,707	60,244,672
Khazaen Economic City - Oman	88,196,913	67,102,224
Balance as at end of the period/year	<u>1,942,032,984</u>	<u>2,016,484,495</u>

Gulf Warehousing Company Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2024**

In Qatari Riyals

12. Islamic financing (continued)

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Current portion	599,647,917	563,615,646
Non-current portion	1,342,385,067	1,452,868,849
	<u>1,942,032,984</u>	<u>2,016,484,495</u>

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

13. 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 condensed consolidated statement of profit or loss and other comprehensive income are as follows:

	Nature of relationship	For the six months period ended 30 June (Reviewed)	
		2024	2023
		Purchase of services	Purchase of services
Others	Affiliate	<u>7,636,830</u>	<u>9,930,935</u>

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

	Nature of relationship	30 June 2024	31 December 2023
		Payables (Reviewed)	Payables (Audited)
Others	Affiliate	<u>530,648</u>	<u>450,074</u>
		<u>530,648</u>	<u>450,074</u>

Compensation of key management personnel

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

	For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)
<i>Short-term benefits</i>		
Key management remuneration	1,680,000	1,680,000
Board of Directors' remuneration	3,300,600	3,600,000
	<u>4,980,600</u>	<u>5,280,000</u>
Employees' end of service benefits	<u>75,000</u>	<u>75,000</u>

Gulf Warehousing Company Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2024**

In Qatari Riyals

14. Revenue

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Revenue from contracts with customers	371,164,829	370,802,343	745,454,680	781,069,475
Rental income from investment properties	1,441,498	2,452,848	2,882,996	4,905,697
Revenue	372,606,327	373,255,191	748,337,676	785,975,172

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 and major service lines.

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
<i>Revenue from contracts with customers</i>				
Logistics operations	237,217,579	239,358,145	483,225,011	510,985,750
Freight forwarding	133,017,393	130,455,582	260,469,636	268,457,969
Other	929,857	988,616	1,760,033	1,625,756
	371,164,829	370,802,343	745,454,680	781,069,475

Primary geographical markets

Local operations	357,544,696	359,050,227	719,791,008	761,099,263
Foreign operations	13,620,133	11,752,116	25,663,672	19,970,212
	371,164,829	370,802,343	745,454,680	781,069,475

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
<i>Major service lines</i>				
Warehouse management services	195,473,217	198,465,425	395,680,286	428,846,533
Freight forwarding services	123,879,237	121,700,253	242,197,682	245,663,382
Records management systems	15,104,963	16,245,810	32,498,241	30,508,163
Fine Arts	16,205,376	11,991,956	32,781,114	30,359,640
Courier services	9,138,156	8,755,329	18,271,954	22,794,587
Transport services	10,434,023	12,654,954	22,265,370	21,271,414
Others	929,857	988,616	1,760,033	1,625,756
	371,164,829	370,802,343	745,454,680	781,069,475

Gulf Warehousing Company Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2024**

In Qatari Riyals

14. Revenue (continued)

Disaggregation of revenue from contracts with customers (continued)

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

	For the three months period ended 30 June 2024 (Reviewed)			For the three months period ended 30 June 2023 (Reviewed)		
	Logistics operations	Freight forwarding	Other revenue	Logistics operations	Freight forwarding	Other revenue
Revenue						
External customer	237,217,579	133,017,393	929,857	239,358,145	130,455,582	988,616
Inter-segment	71,265,121	12,682,326	123,935	70,052,942	6,072,199	878,752
	<u>308,482,700</u>	<u>145,699,719</u>	<u>1,053,792</u>	<u>309,411,087</u>	<u>136,527,781</u>	<u>1,867,368</u>
Adjustments and eliminations	<u>(71,265,121)</u>	<u>(12,682,326)</u>	<u>(123,935)</u>	<u>(70,052,942)</u>	<u>(6,072,199)</u>	<u>(878,752)</u>
	<u>237,217,579</u>	<u>133,017,393</u>	<u>929,857</u>	<u>239,358,145</u>	<u>130,455,582</u>	<u>988,616</u>

	For the six months period ended 30 June 2024 (Reviewed)			For the six months period ended 30 June 2023 (Reviewed)		
	Logistics operations	Freight forwarding	Other revenue	Logistics operations	Freight forwarding	Other revenue
Revenue						
External customer	483,225,011	260,469,636	1,760,033	510,985,750	268,457,969	1,625,756
Inter-segment	143,402,705	26,391,878	344,947	163,557,167	11,810,645	2,426,446
	<u>626,627,716</u>	<u>286,861,514</u>	<u>2,104,980</u>	<u>674,542,917</u>	<u>280,268,614</u>	<u>4,052,202</u>
Adjustments and eliminations	<u>(143,402,705)</u>	<u>(26,391,878)</u>	<u>(344,947)</u>	<u>(163,557,167)</u>	<u>(11,810,645)</u>	<u>(2,426,446)</u>
	<u>483,225,011</u>	<u>260,469,636</u>	<u>1,760,033</u>	<u>510,985,750</u>	<u>268,457,969</u>	<u>1,625,756</u>

Gulf Warehousing Company Q.P.S.C.

Notes to the condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2024

In Qatari Riyals

15. Expenses by nature

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Staff cost (1)	83,394,336	82,087,029	171,125,159	170,217,562
Freight forwarding charges	67,399,419	75,396,724	125,584,083	163,602,352
Depreciation of property, plant and equipment	54,252,132	46,443,530	108,229,401	92,449,910
Logistic costs	40,157,877	36,787,042	84,160,565	88,147,813
Repairs and maintenance	11,228,828	11,812,038	23,832,747	23,550,832
Water and electricity	11,167,846	11,848,970	20,387,220	22,004,605
Fuel cost	5,535,218	5,845,429	11,341,219	12,084,288
Depreciation of right-of-use-assets (Note 8)	5,508,223	4,781,924	11,130,730	8,435,940
Insurance cost	2,525,390	2,506,133	4,942,989	5,346,477
Legal and professional fees	2,559,349	2,537,510	4,161,626	3,744,998
Board of Directors' remuneration (Note 13)	1,500,600	1,800,000	3,300,600	3,600,000
Communication and postage	543,287	660,422	1,177,559	1,319,913
Amortization of intangible assets	451,843	75,184	903,687	150,166
Advertisement expenses	330,926	379,392	721,972	780,138
Rent expense	201,942	307,098	403,884	614,197
Miscellaneous expenses	8,141,320	10,349,998	11,295,785	20,495,291
	294,898,536	293,618,423	582,699,226	616,544,482

(1) Staff cost includes a provision for employees' end of service benefits of QR 5,636,333 (2023: QR 5,356,574).

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

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Direct cost	262,283,239	258,703,412	521,004,150	550,936,260
General and administrative expenses	32,615,297	34,915,011	61,695,076	65,608,222
	294,898,536	293,618,423	582,699,226	616,544,482

16. Finance costs, net

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Profit on Islamic bank accounts	(398,146)	(136,630)	(1,088,487)	(136,630)
Profit charge on Islamic financing	32,659,642	21,695,934	66,625,400	45,116,147
Finance cost on lease liabilities (Note 8)	2,442,619	2,766,622	4,946,436	4,892,291
	34,704,115	24,325,926	70,483,349	49,871,808

Gulf Warehousing Company Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2024**

In Qatari Riyals

17. Earnings per share

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

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Profit for the period attributable to the shareholders of the company	<u>49,472,129</u>	<u>53,333,996</u>	<u>100,351,209</u>	<u>114,818,060</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>0.084</u>	<u>0.091</u>	<u>0.171</u>	<u>0.196</u>

Diluted earnings per share

As the Company has no potential dilutive shares, the diluted and basic EPS are equal.

18. Commitments and contingent liabilities

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
(a) Commitments:		
Capital commitments	<u>65,345,542</u>	<u>11,496,799</u>
(b) Contingent liabilities:		
Bank guarantees, corporate guarantees and documentary credits	<u>191,138,305</u>	<u>182,765,173</u>