

Qatar Navigation Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2022

Qatar Navigation Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended 31 March 2022

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Qatar Navigation Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2022

		<i>For the three months ended 31 March</i>	
		<i>2022</i>	<i>2021</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>	<i>QR'000</i>	<i>QR'000</i>
Operating revenues	3	912,744	675,227
Salaries, wages and other benefits		(154,795)	(150,033)
Operating supplies and expenses		(415,032)	(258,997)
Rent expenses		(2,054)	(582)
Depreciation and amortisation		(89,552)	(91,084)
Provision for impairment of trade receivables		(17,401)	(5,807)
Other operating expenses		(39,549)	(37,345)
OPERATING PROFIT		194,361	131,379
Finance costs		(14,831)	(19,872)
Finance income		3,749	8,308
Gain (Loss) on disposal of property, vessels and equipment		88	(160)
Share of results of associates	9	141,585	114,189
Share of results of joint ventures	8	34,581	63,192
Net gain on foreign exchange		1,816	1,458
PROFIT FOR THE PERIOD		361,349	298,494
<i>Attributable to:</i>			
Equity holders of the parent		360,410	297,229
Non-controlling interest		939	1,265
		361,349	298,494
BASIC AND DILUTED EARNINGS PER SHARE			
<i>(attributable to equity holders of the parent)</i>			
<i>(expressed in QR per share)</i>	4	0.32	0.26

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Qatar Navigation Q.P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER
COMPREHENSIVE INCOME
For the three months ended 31 March 2022

	<i>For the three months ended 31 March</i>	
	<i>2022 (Unaudited) QR'000</i>	<i>2021 (Unaudited) QR'000</i>
Profit for the period	<u>361,349</u>	<u>298,494</u>
Other comprehensive income (OCI):		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net gain (loss) on Financial assets at FVOCI	<u>370,659</u>	<u>(13,293)</u>
Equity-accounted investees – share of OCI	<u>12,609</u>	<u>3,388</u>
	<u>383,268</u>	<u>(9,905)</u>
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net gain resulting from cash flow hedges	<u>31,972</u>	<u>13,488</u>
Cash flow hedge movement for equity-accounted investees	<u>308,680</u>	<u>195,766</u>
	<u>340,652</u>	<u>209,254</u>
Total other comprehensive income	<u>723,920</u>	<u>199,349</u>
Total comprehensive income	<u><u>1,085,269</u></u>	<u><u>497,843</u></u>
<i>Attributable to:</i>		
Equity holders of the Parent	<u>1,084,014</u>	<u>496,578</u>
Non-controlling interest	<u>1,255</u>	<u>1,265</u>
	<u><u>1,085,269</u></u>	<u><u>497,843</u></u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Qatar Navigation Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

		31 March 2022 (Unaudited) QR'000	31 December 2021 (Audited) QR'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, vessels and equipment	5	2,997,857	3,005,027
Investment property	6	779,070	782,354
Intangible assets		88,925	90,788
Right-of-use assets	7	123,099	143,895
Investments in joint ventures	8	1,028,273	993,692
Investments in associates	9	6,827,131	6,605,230
Financial assets at FVOCI		3,647,963	3,556,869
Loans granted to LNG companies		123,759	125,196
Other assets		23,771	24,375
		<u>15,639,848</u>	<u>15,327,426</u>
Current assets			
Inventories		104,871	102,820
Trade and other receivables		1,000,412	879,120
Equity instruments at FVTPL		504,161	505,049
Investments in term deposits	10	482,498	350,102
Cash and cash equivalents	11	326,581	304,786
		<u>2,418,523</u>	<u>2,141,877</u>
Total Assets		<u>18,058,371</u>	<u>17,469,303</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the Parent			
Share capital	12	1,136,165	1,145,252
Treasury shares	13	-	(73,516)
Legal reserve		4,693,986	4,693,986
General reserve		623,542	623,542
Fair value reserve		3,529,752	3,407,966
Hedging reserve		619,296	278,644
Retained earnings		4,860,000	4,643,702
Equity attributable to equity holders of the Parent		<u>15,462,741</u>	<u>14,719,576</u>
Non-controlling interest		<u>40,094</u>	<u>40,089</u>
Total Equity		<u>15,502,835</u>	<u>14,759,665</u>

The consolidated statement of financial position continues on the next page.

Qatar Navigation Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

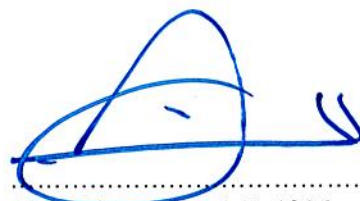
(CONTINUED)

At 31 March 2022

	<i>31 March 2022 (Unaudited) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>
EQUITY AND LIABILITIES (CONTINUED)		
Liabilities		
Non-current liabilities		
Loans and borrowings	1,013,427	1,056,660
Advance from a customer	88,906	90,821
Lease liabilities	7 54,759	62,987
Provision for employees' end of service benefits	111,620	110,006
	<u>1,268,712</u>	<u>1,320,474</u>
Current liabilities		
Trade and other payables	730,465	810,088
Loans and borrowings	477,504	485,267
Lease liabilities	7 78,855	93,809
	<u>1,286,824</u>	<u>1,389,164</u>
Total Liabilities	<u>2,555,536</u>	<u>2,709,638</u>
Total Equity and Liabilities	<u>18,058,371</u>	<u>17,469,303</u>



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Jassim bin Hamad bin Jassim Jaber Al-Thani
Chairman



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Abdulrahman Essa A.E. Al-Mannai
President and Chief Executive Officer

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Qatar Navigation Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2022

	<i>For the three months ended 31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	361,349	298,494
Adjustment for:		
Depreciation and amortisation	89,552	91,084
Finance costs	14,831	19,872
(Gain) Loss on disposal of property, vessels and equipment	(88)	160
Share of results of associates	(141,585)	(114,189)
Share of results of joint ventures	(34,581)	(63,199)
Provision for employees' end of service benefits	3,262	3,015
Finance income	(3,749)	(8,308)
Dividend income	(108,563)	(99,260)
Provision for impairment of trade receivables	17,401	5,807
Net fair value loss on equity instruments at FVTPL	907	900
Operating profit before working capital changes:	198,736	134,376
<i>Changes in working capital:</i>		
Inventories	(2,955)	(17,156)
Trade and other receivables	(138,089)	(53,781)
Trade and other payables	(51,967)	(7,288)
Cash flows from operating activities	5,725	56,151
Employees' end of service benefits paid	(1,648)	(5,219)
Net cash flows from operating activities	4,077	50,932
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, vessels and equipment	(60,278)	(21,569)
Dividend income	108,563	99,260
Finance income	3,749	8,308
Proceeds from disposal of property, vessels and equipment	8,416	28,739
Purchases of investment properties	(4,291)	(1,222)
Addition to intangible assets	(145)	-
Net movement in loans granted to LNG companies	1,437	(2,553)
Proceeds from disposal of financial assets at FVOCI	325,036	28,302
Net movement in investments in term deposits	(132,396)	36,866
Investments in financial assets at FVOCI	(39,852)	-
Dividends received from associates	240,973	220,892
Net cash flows from investing activities	451,212	397,023

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Qatar Navigation Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(CONTINUED)

For the three months ended 31 March 2022

		<i>For the three months ended 31 March</i>	
		<i>2022</i>	<i>2021</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Notes</i>		<i>QR'000</i>	<i>QR'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	14	(342,099)	(340,849)
Net movement in loans and borrowings		(50,996)	(77,783)
Finance costs paid		(14,831)	(19,872)
Payment towards lease liability	7	(25,568)	(22,935)
Net cash flows used in financing activities		(433,494)	(461,439)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		21,795	(13,484)
Cash and cash equivalents at 1 January		304,786	306,253
CASH AND CASH EQUIVALENTS AT 31 MARCH	11	326,581	292,769

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Qatar Navigation Q.P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	<i>Atributable to the equity holders of the Parent</i>							<i>Non-controlling interest</i>	<i>Total</i>
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>		
	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>
Balance at 31 December 2021 (Audited)	1,145,252	(73,516)	4,693,986	623,542	3,407,966	278,644	4,643,702	40,089	14,759,665
Profit for the period	-	-	-	-	-	-	360,410	939	361,349
Other comprehensive income	-	-	-	-	382,952	340,652	-	316	723,920
Total comprehensive income	-	-	-	-	382,952	340,652	360,410	1,255	1,085,269
Transfer of reserves on disposal of financial assets at FVOCI	-	-	-	-	(261,166)	-	261,166	-	-
Reduction of share capital (Note 12, 13)	(9,087)	73,516	-	-	-	-	(64,429)	-	-
Dividends paid (Note 14)	-	-	-	-	-	-	(340,849)	(1,250)	(342,099)
Balance at 31 March 2022 (Unaudited)	1,136,165	-	4,693,986	623,542	3,529,752	619,296	4,860,000	40,094	15,502,835
<i>Atributable to the equity holders of the Parent</i>									
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>	<i>Non-controlling interest</i>	<i>Total</i>
	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>
Balance at 31 December 2020 (Audited)	1,145,252	(73,516)	4,693,986	623,542	3,367,639	(96,138)	4,042,530	55,089	13,758,384
Profit for the period	-	-	-	-	-	-	297,229	1,265	298,494
Other comprehensive (loss) income	-	-	-	-	(9,905)	209,254	-	-	199,349
Total comprehensive (loss) income	-	-	-	-	(9,905)	209,254	297,229	1,265	497,843
Transfer of reserves on disposal of financial assets at FVOCI	-	-	-	-	1,332	-	(1,332)	-	-
Dividends paid (Note 14)	-	-	-	-	-	-	(340,849)	-	(340,849)
Balance at 31 March 2021 (Unaudited)	1,145,252	(73,516)	4,693,986	623,542	3,359,066	113,116	3,997,578	56,354	13,915,378

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

1 REPORTING ENTITY

Qatar Navigation Q.P.S.C. (the “Company” or the “Parent”) was incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Public Shareholding Company, and it is registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration number 1 dated 5 July 1957. The registered office of the Company is located at Street No. 523, Zone 56, Umm Al Saneem Area, East Industrial Road, Doha, State of Qatar. The shares of the Company are publicly traded on the Qatar Stock Exchange since 26 May 1997.

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the “Group” and individually as the “Group entities”) and the Group’s interests in equity-accounted investees.

The principal activities of the Group, which remain unchanged from the previous year, include the provision of marine transport, acting as agent to foreign shipping lines, offshore services, warehousing, sale of heavy vehicles, ship repair, fabrication and installation of offshore structures, land transport, chartering of vessels, real estate, investments in listed and unlisted securities and trading of aggregates & building materials.

The interim condensed consolidated financial statements of the Group were authorised for issue by the Board of Directors on 19 April 2022

The Company had the following active subsidiaries as at the current and the comparative reporting dates:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Group effective shareholding</i>	
			<i>31 March 2022</i>	<i>31 December 2021</i>
Qatar Shipping Company W.L.L.	Qatar	Chartering of vessels and maritime services	100%	100%
Halul Offshore Services W.L.L.	Qatar	Chartering of vessels offshore services	100%	100%
Qatar Quarries and Building Materials Company Q.P.S.C. (i)	Qatar	Trading in building materials	50%	50%
Qatar Shipping Company (India) Private Limited	India	Own, Hire, Purchase, Sale, Operate and manage all types of ships	100%	100%
Milaha Trading Company W.L.L.	Qatar	Trading in industrial materials	100%	100%
Navigation Travel & Tourism W.L.L.	Qatar	Travel agency	100%	100%
Navigation Trading Agencies W.L.L.	Qatar	Trading in heavy equipment	100%	100%

Qatar Navigation Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 31 March 2022

1 REPORTING ENTITY (CONTINUED)

The Company had the following active subsidiaries as at the current and the comparative reporting dates:
(continued):

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Group effective shareholding</i>	
			<i>31 March 2022</i>	<i>31 December 2021</i>
Navigation Marine Service Center W.L.L.	Qatar	Marine services	100%	100%
Milaha Capital W.L.L.	Qatar	Investments	100%	100%
Milaha Real Estate Services W.L.L.	Qatar	Real estate maintenance	100%	100%
Milaha Integrated Maritime and Logistics W.L.L.	Qatar	Maritime and logistic services	100%	100%
Milaha International Maritime L.L.C	Qatar	Maritime and logistic services	100%	-
Milaha Ras Laffan Verwaltungs GMBH (ii)	Germany	Managing the business activities of KG companies	100%	100%
Milaha Qatar Verwaltungs GMBH	Germany	Managing the business activities of KG companies	100%	100%
Milaha Real Estate Investment W.L.L.	Qatar	Real estate services	100%	100%
Milaha for Petroleum and Chemical Product W.L.L.	Qatar	Shipping services	100%	100%
Milaha Ras Laffan Gmbh & Co. KG (KG1)	Germany	LNG transportation	100%	100%
Milaha Qatar Gmbh & Co. KG (KG2)	Germany	LNG transportation	100%	100%
Milaha Offshore Holding Co. PTE LTD	Singapore	Offshore support services	100%	100%
Milaha Explorer PTE LTD	Singapore	Offshore support services	100%	100%
Milaha Offshore Services Co PTE LTD	Singapore	Offshore support services	100%	100%
Milaha (FZC) L.L.C.	Oman	Logistic services	100%	100%
Milaha Ship Management & Operation Company W.L.L.	Qatar	Fleet & technical services	100%	100%

- (i) The Group controls Qatar Quarries Building Materials Company Q.P.S.C. through its power to control that company's Board of Directors.

1 REPORTING ENTITY (CONTINUED)

The Company also had the following inactive subsidiaries as at the current and the comparative reporting dates:

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Company's ownership percentage</i>	
		<i>2021</i>	<i>2020</i>
Milaha Technical & Logistics Services W.L.L.	Qatar	100%	100%
Milaha Offshore Support Services Company W.L.L.	Qatar	99.5%	99.5%
Milaha for Petroleum and Chemical Product W.L.L.	Qatar	99.5%	99.5%
Milaha Warehousing W.L.L.	Qatar	100%	100%
Milaha Capital Real Estate Complex W.L.L.	Qatar	100%	100%
Milaha for Ships and Boats W.L.L.	Qatar	100%	100%
Halul Ship Management & Operation W.L.L.	Qatar	100%	100%
Halul 49 L.L.C.	Qatar	100%	100%
Halul 68 L.L.C.	Qatar	100%	100%
Halul 69 L.L.C.	Qatar	100%	100%
Halul 70 L.L.C.	Qatar	100%	100%
Halul 71 L.L.C.	Qatar	100%	100%
Halul 80 L.L.C.	Qatar	100%	100%
Halul 81 L.L.C.	Qatar	100%	100%
Halul 82 L.L.C.	Qatar	100%	100%
Halul 83 L.L.C.	Qatar	100%	100%
Halul 90 L.L.C.	Qatar	100%	100%
Halul 100 L.L.C.	Qatar	100%	100%
Halul 101 L.L.C.	Qatar	100%	100%
Aliago W.L.L.	Qatar	100%	100%
Halul United Business Services L.L.C.	Saudi	100%	100%
Ocean Marine Services W.L.L.	Qatar	100%	100%
Gulf Shipping Investment Company W.L.L.	Qatar	100%	100%
Milaha Offshore Holdings (UK) Private Limited	United Kingdom	100%	100%
Milaha Offshore MEX1 Limited	United Kingdom	100%	100%
Milaha Offshore MIDAS1 Limited	United Kingdom	100%	100%
Milaha Offshore Services (UK) Limited	United Kingdom	100%	100%

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent do not differ from the proportion of the ordinary shares held.

The Company also had the following registered branch in Dubai as at the current and the comparative reporting dates:

Name of branch	Principal activity
Qatar Navigation (Dubai Branch)	Marine, Maritime and Logistics services

The results and the assets and liabilities of the above branch have been combined in the consolidated financial statements of the Group.

2 BASIS OF PREPARATION**2.1 Basis of preparation**

The interim condensed consolidated financial statements for the three months ended 31 March 2022 have been prepared in accordance with IAS 34 Interim Financial reporting and are prepared in Qatari Riyals ("QR"), which is the Group's functional and presentation currency, and all values are rounded to the nearest thousands (QR'000) except otherwise indicated.

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 2021. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The results for the three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty and Group's financial risk management objectives and policies were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

2.2 New standards, interpretations and amendments adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3 OPERATING REVENUES

The operating revenues consist of the activities of the following Pillars:

	<i>Three months ended 31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Milaha Capital	187,495	180,867
Milaha Maritime and Logistics	346,107	194,674
Milaha Offshore	289,849	190,810
Milaha Trading	36,282	44,992
Milaha Gas and Petrochem	53,011	63,884
	<u>912,744</u>	<u>675,227</u>

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period.

	<i>Three months ended 31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit for the period attributable to equity holders of the parent (QR'000)	<u>360,410</u>	<u>297,229</u>
Weighted average number of shares (000's)	<u>1,136,165</u>	<u>1,136,165</u>
Basic and diluted earnings per share (QR)	<u>0.32</u>	<u>0.26</u>

4 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

The weighted average numbers of shares have been calculated as follows:

	<i>Three months ended 31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Total number of shares outstanding (000's)	1,136,165	1,145,252
Adjustment for weighted average shares with respect to treasury shares purchased during the year 2013 (000's)	-	(9,087)
Weighted average numbers of shares during the period (000's)	<u>1,136,165</u>	<u>1,136,165</u>

During the period, the Company completed the cancellation of treasury shares, this resulted in the decrease in the issued and outstanding shares amounting to QR 9,087,250. No changes on weighted average number of shares have occurred as a result of this.

5 PROPERTY, VESSELS AND EQUIPMENT

	<i>31 March</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Net book value, beginning balance	3,005,027	3,250,396
Additions	60,278	222,601
Disposals and write off	(8,341)	(140,777)
Transfers and reclassifications	(3,048)	(4,268)
Impairment of vessels and capital work in progress	-	(98,625)
Depreciation charge for the period/ year	<u>(56,059)</u>	<u>(224,300)</u>
Net book value, ending balance	<u>2,997,857</u>	<u>3,005,027</u>

6 INVESTMENT PROPERTY

	<i>31 March</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Net book value, beginning balance	782,354	798,839
Additions	4,291	20,497
Depreciation charge for the period/ year	<u>(10,251)</u>	<u>(40,382)</u>
Transfers and reclassifications	<u>2,676</u>	<u>3,400</u>
Net book value, ending balance	<u>779,070</u>	<u>782,354</u>

7 LEASES**7.1 Right-of-use-assets**

The right-of-use assets relate to leasehold lands, vessels, warehouses and offices.

	<i>31 March 2022</i>			<i>31 December 2021</i>		
	<i>Unaudited</i>			<i>Audited</i>		
	<i>QR'000</i>			<i>QR'000</i>		
	<i>Vessels</i>	<i>Land & Buildings</i>	<i>Total</i>	<i>Vessels</i>	<i>Land & Buildings</i>	<i>Total</i>
Beginning balance	106,989	36,906	143,895	189,509	38,404	227,913
Additions	-	6,022	6,022	19,688	2,004	21,692
Adjustments for lease modifications	(328)	-	(328)	(3,299)	-	(3,299)
Termination	-	(5,472)	(5,472)	(12,178)	-	(12,178)
Depreciation	<u>(20,021)</u>	<u>(997)</u>	<u>(21,018)</u>	<u>(86,731)</u>	<u>(3,502)</u>	<u>(90,233)</u>
Ending balance	<u>86,640</u>	<u>36,459</u>	<u>123,099</u>	<u>106,989</u>	<u>36,906</u>	<u>143,895</u>

7 LEASES (CONTINUED)**7.2 Lease liabilities**

	<i>31 March 2022 (Unaudited) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>
Beginning balance	156,796	245,105
New leases	6,022	19,685
Adjustment for lease modification	(1,090)	(3,781)
Termination	(2,546)	(12,188)
Payment	(25,568)	(92,025)
Ending balance	<u>133,614</u>	<u>156,796</u>

The finance lease liabilities are presented in the statement of financial position as follows:

	<i>31 March 2022 (Unaudited) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>
Non-current	54,759	62,987
Current	<u>78,855</u>	<u>93,809</u>
	<u>133,614</u>	<u>156,796</u>

8 INVESTMENTS IN JOINT VENTURES

The Group has following investments in Joint Ventures:

<i>Name of entity</i>	<i>Country of Incorporation</i>	<i>Group effective ownership</i>	
		<i>2022</i>	<i>2021</i>
Gulf LPG Transport Company W.L.L. (a)	Qatar	50%	50%
Qterminals L.L.C (b)	Qatar	49%	49%

a) Gulf LPG Transport Company W.L.L.

Gulf LPG Transport Company W.L.L. ("GLPG") is a limited liability company established together with Qatar Gas Transport Company Q.P.S.C. (NAKILAT). Gulf LPG aims to provide various activities of owning, managing and operating liquid gas transporting ships.

b) Qterminals L.L.C.

Qterminals L.L.C. (Qterminals) was legally incorporated on 10 May 2017 with the Commercial Registration number 98511. The shareholding structure of Qterminals is 51% owned by Qatar Ports Management Company ("Mwani Qatar") and 49% owned by Milaha. The purpose of the company is to operate ports, managing the port activities including the new Hamad Port based on an agreement signed between Milaha and Mwani Qatar during December 2016.

Based on the concession agreement dated 1 October 2017, Qterminals L.L.C. accepted the delegation of the concession rights. The concession agreement compliments the terms of the shareholders' agreement signed by the by the shareholders of Qterminals, which requires the incorporation of a new company (Qterminals L.L.C.).

In line with the overall arrangement, the Group transferred the concession rights to Qterminals amounting to QR 416,108,000. Accordingly the delegated concession rights has been accounted for as an investment in the books of Milaha. The concession agreement stipulates in the event of force majeure, the concession rights reverts back to Milaha.

Qatar Navigation Q.P.S.C.

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8 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Reconciliation of the summarised financial information presented to the carrying amount of its investment in joint ventures:

	<i>31 March 2022 (Unaudited) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>
At 1 January	993,692	964,407
Share of results of joint ventures	34,581	204,910
Dividends received	-	(175,625)
At 31 March / December	<u>1,028,273</u>	<u>993,692</u>

9 INVESTMENTS IN ASSOCIATES

The Group has the following investment in associates:

	<i>Country of incorporation</i>	<i>Ownership % 2022</i>	<i>2021</i>	<i>Profit Sharing % 2022</i>	<i>2021</i>
Cargotec Qatar W.L.L. (i), (viii)	Qatar	51.0%	51.0%	40.0%	40.0%
Iraq-Qatar Transport and Shipping Services Com. Ltd (ii), (viii)	Iraq	51.0%	51.0%	51.0%	51.0%
Hapag – Lloyd Qatar W.L.L. (Formerly: United Arab Shipping Agency Company W.L.L.) (iii), (viii)	Qatar	51.0%	51.0%	40.0%	40.0%
Qatar Gas Transport Company Limited (NAKILAT) Q.P.S.C. (iv)	Qatar	36.3%	36.3%	36.3%	36.3%
Camartina Shipping INC. (v)	Liberia	29.4%	29.4%	29.4%	29.4%
Peninsula LNG Transport No. 1 Ltd. (vi)	Liberia	29.4%	29.4%	29.4%	29.4%
Peninsula LNG Transport No. 2 Ltd. (vi)	Liberia	29.4%	29.4%	29.4%	29.4%
Peninsula LNG Transport No. 3 Ltd. (vi)	Liberia	29.4%	29.4%	29.4%	29.4%
Man Diesel & Turbo Qatar Navigation W.L.L.(vii),(viii)	Qatar	51.0%	51.0%	35.0%	35.0%

Notes:

- (i) Cargotec Qatar W.L.L. is engaged in providing maintenance and repair of marine, land based cargo access and control system to off-shore and on-shore oil services and gas facilities.
- (ii) Iraq-Qatar Transport and Shipping Services Company Ltd. is engaged in providing transportation and shipping logistics and is yet to commence commercial operations.
- (iii) Hapag – Lloyd Qatar W.L.L. is engaged in providing cargo and shipping services.
- (iv) Qatar Gas Transport Company Limited (NAKILAT) Q.P.S.C. is engaged in the sector of gas transportation either through its own ocean-going vessels or by investing in joint ventures with other parties.
- (v) Camartina Shipping INC. is engaged in operation of a time charter of 135,000 m³ Liquefied Natural Gas (LNG) vessel.
- (vi) Peninsula LNG Transport Ltd No's 1, 2 & 3 were established to acquire, own, and operate a time charter Liquefied Natural Gas (LNG) vessel.
- (vii) Man Diesel & Turbo Qatar Navigation W.L.L. is engaged in trading and maintenance of marine engines, equipment's and spare parts.
- (viii) Even though the share ownership in the companies listed in point (i), (ii), (iii) and (vii) is more than 50%, the Group has only a significant influence over financial and operating policies. Therefore these companies have not been considered as subsidiaries of the Group.

9 INVESTMENT IN ASSOCIATES (CONTINUED)

The consolidated financial statements have been prepared based on the management accounts of these entities as of the reporting date.

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates:

	<i>31 March 2022 (Unaudited) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>
At 1 January	6,605,230	6,001,739
Share of results	141,585	475,988
Share of net movement in other comprehensive income	321,289	350,381
Dividends received	<u>(240,973)</u>	<u>(222,878)</u>
At 31 March / December	<u>6,827,131</u>	<u>6,605,230</u>

10 INVESTMENTS IN TERM DEPOSITS

	<i>31 March 2022 (Unaudited) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>
Term deposits with banks	577,463	396,194
Less: Term deposits maturing before 90 days	<u>(94,965)</u>	<u>(46,092)</u>
Term deposits maturing after 90 days (i)	<u>482,498</u>	<u>350,102</u>

Notes:

(i) Short-term deposits earn interest at market rates and these are with an original maturity of over 90 days.

11 CASH AND CASH EQUIVALENTS

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<i>Three months ended 31 March 2022 (Unaudited) QR'000</i>	<i>2021 (Unaudited) QR'000</i>
Cash in hand	4,974	5,301
Cash at bank – term deposits (i)	94,965	130,488
Cash at bank – current accounts	<u>226,642</u>	<u>156,980</u>
	<u>326,581</u>	<u>292,769</u>

(i) Represents deposits with an original maturity of less than 90 days with commercial market rates.

12 SHARE CAPITAL

	<i>Number of shares (‘000’)</i>	<i>QR’000</i>
<i>Authorised, issued and fully paid shares</i>		
At 31 December 2021	1,145,252	1,145,252
Cancellation of treasury shares (Note 13)	<u>(9,087)</u>	<u>(9,087)</u>
At 31 March 2022	<u>1,136,165</u>	<u>1,136,165</u>

All shares have equal rights. During the period the Company cancelled shares equivalent to a par value of QR 9,087,250 representing 9,087,250 of shares at the Company’s registrar.

13 TREASURY SHARES

Following the extraordinary General Meeting held on 8 November 2021, approving the cancellation of the outstanding treasury shares and receiving subsequent approvals from the QFMA on the 9th of January 2022, treasury shares amounting to 9,087,250 was cancelled. This resulted in the reduction in the share capital amounting to QR 9,087,250 with the corresponding adjustment affecting the fair value of Treasury shares.

14 DIVIDENDS**Dividend proposed and paid for the year 2021**

The Board of Directors had proposed a 30% cash dividend of QR 0.3 per share totaling QR 341 million for the year 2021 which was approved by the share holders at the Annual General Assembly held on 6 March 2022.

Dividend declared and paid:

	<i>2022 QR’000</i>	<i>2021 QR’000</i>
Final Dividend	<u>340,849</u>	<u>340,849</u>

15 CONTINGENT LIABILITIES

At 31 March 2022 and 31 December 2021, the Group had letters of guarantees and letters of credit from which it anticipates that no material liabilities will arise amounted to:

	<i>31 March 2022 (Unaudited) QR’000</i>	<i>31 December 2021 (Audited) QR’000</i>
Letters of guarantees	879,596	874,485
Letters of credits	<u>16,364</u>	<u>22,756</u>
	<u>895,960</u>	<u>897,241</u>

15 CONTINGENT LIABILITIES (CONTINUED)*Legal case:*

On 31 May 2021, the Group entered into an agreement with a third party buyer for the sale of one of its vessels. However, the agreement was cancelled due to a dispute between the parties. Following the cancellation, the Buyer initiated arbitration proceedings against the Company. The buyer is claiming return of the deposit and compensation for failure to have the vessel ready for delivery by the canceling date, together with interest on any awarded sum. Given that the matter is at a preliminary stage, the outcome of this proceeding cannot be reasonably assessed at the date of these financial statements.

In accordance with IAS 37.92 the Company does not provide further information on the legal process and the associated risks and contingent assets and liabilities for the Company, especially with regard to the measures taken and expected outcomes in this context, in order not to impair the outcome of the proceedings.

16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets consist of bank balances, financial assets at fair value through other comprehensive income (FVOCI), equity instruments at fair value through profit or loss, loans granted to LNG companies and certain other receivables. Financial liabilities consist of loans and borrowings and certain other payables. Derivative financial instruments consist of interest rate swaps. As at the reporting date the carrying values of the financial assets and financial liabilities were not materially different to the fair values.

17 RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2022 and 2021, as well as balances with related parties as at 31 March 2022 and 31 December 2021:

Related party transactions

	<i>Three months ended 31 March</i>			
	<i>2022</i>		<i>2021</i>	
	<i>Sales</i>	<i>Purchases</i>	<i>Sales</i>	<i>Purchases</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Associate companies	<u>176</u>	<u>193</u>	<u>1,842</u>	<u>320</u>

Related party balances

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>31 March 2022</i>		<i>31 December 2021</i>	
	<i>Trade</i>	<i>Trade</i>	<i>Trade</i>	<i>Trade</i>
	<i>receivables</i>	<i>payables</i>	<i>receivables</i>	<i>payables</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Joint ventures	<u>1,145</u>	<u>13,676</u>	<u>1,232</u>	<u>15,264</u>
Associate companies	<u>312</u>	<u>176</u>	<u>2,864</u>	<u>467</u>
Directors	<u>1,389</u>	<u>86</u>	<u>1,987</u>	<u>153</u>
	<u>2,846</u>	<u>13,938</u>	<u>6,083</u>	<u>15,884</u>

17 RELATED PARTY DISCLOSURES (CONTINUED)**Compensation of directors and other key management personnel**

The accrued remuneration of directors and the paid salaries and allowances to members of key management during the period was as follows:

	<i>Three months ended 31</i>	
	<i>March</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Salaries and allowances	3,282	3,199
Provision for employees' end of service benefits	200	200
Board of directors remuneration	3,100	550
	<u>6,582</u>	<u>3,949</u>

18 COMPARATIVE INFORMATION

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

19 SEGMENT INFORMATION

The group is organised into six pillars as follows, which constitute five reportable segments (strategic divisions):

- Milaha Capital provides corporate finance advisory services to the Parent and its subsidiaries, in addition to managing its proprietary portfolio of financial and real estate investments and holding the investment of Qatar Quarries and Building Material Company W.L.L.
- Milaha Maritime & Logistics delivers a comprehensive range of services to major importers, exporters and shipping companies in the region, including oil & gas majors. The activities include logistics services, container feeder shipping, non-vessel operating common carriers (NVOCC) operations, bulk shipping, shipping agencies, port management and operations, shipyard and steel fabrication.
- Milaha Offshore provides comprehensive offshore support services to the oil and gas industry across the region. The group currently operates a fleet of offshore service vessels, which include safety standby vessels, anchor handling tugs, crew boats, workboats and dynamic positioning (DP) vessels. It provides a complete range of diving services including saturation diving
- Milaha Trading is engaged in trading trucks, heavy equipment, machinery and lubrication brands in Qatar. The segment markets its products and provides critical after sales service.
- Milaha Gas and Petrochem owns, manages and operates a fleet of LPG and LNG carriers and provides ocean transportation services to international energy and industrial companies. It further owns and manages a young fleet of product tankers and one crude carrier. The segment also operates a number of product tankers in partnership with international trading and shipping companies.
- Milaha Corporate provides necessary services to all the pillars to run their respective business. These services are costs of management, corporate development and communications, internal audit, legal affairs, shared services, information technology, procurement, human resources and administration and finance. The costs are allocated to consuming departments using a corporate allocation methodology.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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19 SEGMENT INFORMATION (CONTINUED)

Three months period ended 31 March 2022 (Unaudited)

	Milaha Capital QR'000	Milaha Maritime and Logistics QR'000	Milaha Offshore QR'000	Milaha Trading QR'000	Milaha Gas and Petrochem QR'000	Adjustments relating to Milaha Corporate QR'000	Total segments QR'000	Adjustments and eliminations QR'000	Consolidated QR'000
Operating revenues	208,375	366,012	289,849	67,199	53,011	-	984,446	(71,702)	912,744
Salaries, wages and other benefits	(3,294)	(87,023)	(21,782)	(3,532)	(5,761)	(33,403)	(154,795)		(154,795)
Operating supplies and expenses	(61,682)	(227,575)	(118,329)	(61,162)	(2,549)	(3,014)	(474,311)	59,279	(415,032)
Rent expenses	(393)	(10,397)	(337)	(713)	(103)	(1,842)	(13,785)	11,731	(2,054)
Depreciation and amortisation	(16,706)	(6,835)	(52,626)	(342)	(12,583)	(460)	(89,552)		(89,552)
Recoveries (provision) of impairment of trade receivables	(16,052)	(3,140)	1,710	81	-	-	(17,401)	-	(17,401)
Other operating expenses	(3,142)	(17,987)	(8,584)	(580)	(3,080)	(6,868)	(40,241)	692	(39,549)
Allocations relating to fleet and technical services	-	71,126	(67,880)		(3,246)	-	-	-	-
Allocations relating to Milaha Corporate	(5,645)	(27,166)	(6,424)	(3,297)	(3,079)	45,611	-	-	-
OPERATING PROFIT (LOSS)	101,461	57,015	15,597	(2,346)	22,610	24	194,361	-	194,361
Finance costs	(955)	(1,236)	(8,355)	-	(9,103)	-	(19,649)	4,818	(14,831)
Finance income	2,687		829	68	4,983	-	8,567	(4,818)	3,749
Loss on disposal of property, vessels and equipment	-	102	(14)	-	-	-	88	-	88
Share of results of associates	(861)	654	-	-	141,792	-	141,585	-	141,585
Share of results of joint ventures	-	30,539	-	-	4,042	-	34,581	-	34,581
Net gain (loss) on foreign exchange	200	1,208	374	51	7	(24)	1,816	-	1,816
PROFIT (LOSS) FOR THE PERIOD	102,532	88,282	8,431	(2,227)	164,331	-	361,349	-	361,349

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19 SEGMENT INFORMATION (CONTINUED)

Three months period ended 31 March 2021 (Unaudited)

	Milaha Capital QR'000	Milaha Maritime and Logistics QR'000	Milaha Offshore QR'000	Milaha Trading QR'000	Milaha Gas and Petrochem QR'000	Adjustments relating to Milaha Corporate QR'000	Total segments QR'000	Adjustments and eliminations QR'000	Consolidated QR'000
Operating revenues	171,639	239,741	190,809	72,707	63,884	-	738,780	(63,553)	675,227
Salaries, wages and other benefits	(3,065)	(86,793)	(18,707)	(2,735)	(5,710)	(33,023)	(150,033)	-	(150,033)
Operating supplies and expenses	(41,055)	(165,025)	(25,639)	(66,423)	(9,202)	(2,346)	(309,690)	50,693	(258,997)
Rent expenses	(584)	(9,788)	(402)	(401)	(93)	(1,741)	(13,009)	12,427	(582)
Depreciation and amortisation	(16,417)	(6,408)	(50,126)	(393)	(17,123)	(617)	(91,084)	-	(91,084)
Recoveries (provision) of impairment of trade receivables	66	1,121	(7,090)	96	-	-	(5,807)	-	(5,807)
Other operating expenses	(1,091)	(18,244)	(7,037)	(605)	(4,460)	(6,341)	(37,778)	433	(37,345)
Allocations relating to fleet and technical services	-	74,598	(66,059)	-	(8,539)	-	-	-	-
Allocations relating to Milaha Corporate	(3,348)	(29,653)	(4,292)	(3,188)	(3,633)	44,114	-	-	-
OPERATING PROFIT (LOSS)	106,145	(451)	11,457	(942)	15,124	46	131,379	-	131,379
Finance costs	(2,639)	(1,481)	(8,869)	-	(7,855)	-	(20,844)	972	(19,872)
Finance income	6,196	-	47	27	3,010	-	9,280	(972)	8,308
Loss on disposal of property, vessels and equipment	-	(160)	-	-	-	-	(160)	-	(160)
Share of results of associates	172	790	-	-	113,227	-	114,189	-	114,189
Share of results of joint ventures	-	43,622	-	-	19,570	-	63,192	-	63,192
Net gain (loss) on foreign exchange	1,367	155	11	(36)	7	(46)	1,458	-	1,458
PROFIT (LOSS) FOR THE PERIOD	111,241	42,475	2,646	(951)	143,083	-	298,494	-	298,494

Note:

- (i) Inter-segment revenues are eliminated on consolidation.