

**MUBARRAD HOLDING COMPANY
K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

31 MARCH 2023



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MUBARRAD HOLDING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company K.S.C.P. (the “Parent Company”) and subsidiaries (collectively, the “Group”) as at 31 March 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements: 2410 ‘*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*’. A review of interim financial information 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

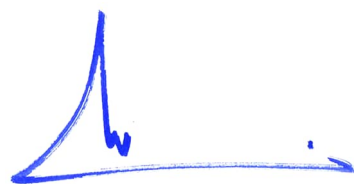
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MUBARRAD HOLDING COMPANY K.S.C.P.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

14 May 2023
Kuwait

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 31 March 2023

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2023	2022
		KD	KD
INCOME			
Net loss from transport, leasing and maintenance operations		-	(264)
Net real estate income	3	411,313	395,724
Net investment income from financial assets	4	32,368	29,208
Share of result of an associate	7	29,083	37,255
Gain on sale of furniture and equipment		-	330,787
Gain on sale of investment property	6	701	-
Other income		29,596	10,373
Total income		503,061	803,083
EXPENSES AND OTHER CHARGES			
Administrative expenses		(123,518)	(160,907)
Finance costs		(14,500)	(13,973)
Total expenses		(138,018)	(174,880)
PROFIT BEFORE TAX		365,043	628,203
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		(2,944)	(5,654)
National Labour Support Tax (“NLST”)		(9,229)	(15,817)
Zakat		(3,692)	(6,327)
PROFIT FOR THE PERIOD		349,178	600,405
Attributable to:			
Equity holders of the Parent Company		348,481	594,545
Non-controlling interests		697	5,860
		349,178	600,405
BASIC AND DILUTED EARNINGS PERSHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY (EPS)			
	5	2.13 Fils	3.63 Fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	349,178	600,405
Other comprehensive loss		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(743,118)	(610,689)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(393,940)	(10,284)
Attributable to:		
Equity holders of the Parent Company	(394,637)	(16,144)
Non-controlling interests	697	5,860
	(393,940)	(10,284)


The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

	<i>Notes</i>	<i>31 March</i> 2023 <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
ASSETS				
Non-current assets				
Goodwill		91,005	91,005	91,005
Furniture and equipment		1,324	1,797	7,711
Investment properties	6	12,550,003	13,053,945	13,898,604
Investment in an associate	7	3,725,288	3,758,100	3,737,895
Financial asset at fair value through profit or loss	11	727,553	727,553	824,948
Accounts receivable and prepayments		-	-	193,000
		17,095,173	17,632,400	18,753,163
Current assets				
Accounts receivable and prepayments		477,349	527,798	466,383
Cash and short-term deposits	8	5,172,364	5,098,401	4,863,506
		5,649,713	5,626,199	5,329,889
TOTAL ASSETS		22,744,886	23,258,599	24,083,052
EQUITY AND LIABILITIES				
Equity				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,405,545	1,405,545	1,244,220
Treasury shares		(3)	(3)	-
Other reserve		(3,594)	(3,594)	(3,594)
Foreign currency translation reserve		(3,849,244)	(3,106,126)	(2,064,475)
Effect of changes in reserves of an associate		117,874	117,874	117,874
Retained earnings		6,148,487	5,800,006	5,861,625
Equity attributable to equity holders of the Parent Company		20,188,342	20,582,979	21,524,927
Non-controlling interests		60,513	59,816	57,652
Total equity		20,248,855	20,642,795	21,582,579
Liabilities				
Non-current liabilities				
Employees' end of service benefits		344,578	337,453	333,320
Current liabilities				
Accounts payable and accruals		678,053	804,951	736,442
Islamic finance payables	6	1,473,400	1,473,400	1,430,711
		2,151,453	2,278,351	2,167,153
Total liabilities		2,496,031	2,615,804	2,500,473
TOTAL EQUITY AND LIABILITIES		22,744,886	23,258,599	24,083,052


Saad Bandar Al-Lafi
Vice Chairman & CEO

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	<i>Attributable to equity holders of the Parent Company</i>										
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Other reserve</i>	<i>Foreign currency translation reserve</i>	<i>Effect of changes in reserve of an associate</i>	<i>Retained earnings</i>	<i>Sub-total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January 2023	16,369,277	1,405,545	(3)	-	(3,594)	(3,106,126)	117,874	5,800,006	20,582,979	59,816	20,642,795
Profit for the period	-	-	-	-	-	-	-	348,481	348,481	697	349,178
Other comprehensive loss	-	-	-	-	-	(743,118)	-	-	(743,118)	-	(743,118)
Total comprehensive (loss) income for the period	-	-	-	-	-	(743,118)	-	348,481	(394,637)	697	(393,940)
At 31 March 2023	16,369,277	1,405,545	(3)	-	(3,594)	(3,849,244)	117,874	6,148,487	20,188,342	60,513	20,248,855
As at 1 January 2022	16,369,277	1,244,220	-	84,733	(3,594)	(1,453,786)	117,874	5,182,347	21,541,071	51,792	21,592,863
Profit for the period	-	-	-	-	-	-	-	594,545	594,545	5,860	600,405
Other comprehensive loss	-	-	-	-	-	(610,689)	-	-	(610,689)	-	(610,689)
Total comprehensive (loss) income for the period	-	-	-	-	-	(610,689)	-	594,545	(16,144)	5,860	(10,284)
Transfer of treasury shares reserve to retained earnings	-	-	-	(84,733)	-	-	-	84,733	-	-	-
At 31 March 2022	16,369,277	1,244,220	-	-	(3,594)	(2,064,475)	117,874	5,861,625	21,524,927	57,652	21,582,579

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 KD	2022 KD
OPERATING ACTIVITIES			
Profit before tax		365,043	628,203
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation expense		473	-
Gain on disposal of furniture and equipment		-	(330,787)
Profit from term deposits	4	(32,368)	(11,857)
Realised gain on sale of financial assets at fair value through profit or loss	4	-	(17,351)
Gain on sale of investment property	6	(701)	-
Share of results of an associate	7	(29,083)	(37,255)
Provision for employees' end of service benefits		7,125	9,505
Finance costs		14,500	13,973
		324,989	254,431
<i>Working capital adjustments:</i>			
Accounts receivable and prepayments		46,138	52,793
Accounts payable and accruals		(142,763)	(243,167)
Cash flows from operations		228,364	64,057
Employees' end of service benefits paid		-	(5,038)
Net cash flows from operating activities		228,364	59,019
INVESTING ACTIVITIES			
Net movement in term deposits		(941,702)	(118,478)
Profit received from term deposits		28,057	11,857
Accounts receivable and prepayments		-	(193,000)
Proceeds from sale of financial assets at fair value through profit or loss		-	31,548
Proceeds from disposal of furniture and equipment		-	363,000
Proceeds from sale of investment property	6	18,141	-
Net cash flows (used in) from investing activities		(895,504)	94,927
FINANCING ACTIVITIES			
Finance costs paid		(14,500)	(13,973)
Repayment of Islamic finance payables		-	(188,418)
Net cash flows used in financing activities		(14,500)	(202,391)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(681,640)	(48,445)
Net foreign exchange difference		(186,099)	(90,765)
Cash and cash equivalents at 1 January		3,339,046	1,484,238
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	2,471,307	1,345,028

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Mubarrad Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2023 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 14 May 2023.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 2 May 2023 approved the consolidated financial statements for the year ended 31 December 2022. Dividends declared by the Group for the year then ended are provided in Note 12.

The Parent Company is a public shareholding company incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Boursa Kuwait.

The Parent Company's head office is located at Old Khaitan, Block 29, Street 22, Building 15, Mezza three Office #12, Kuwait.

The principal activities of the Group are described in Note 12. All activities are conducted in accordance with Islamic Sharī‘a principles, as approved by the Parent Company’s Fatwa and Sharī‘a Supervisory Board.

The Parent Company is a subsidiary of A’ayan Leasing and Investment Company K.S.C.P. (“the Ultimate Parent Company”), whose shares are publicly traded in Boursa Kuwait.

1.2 GROUP INFORMATION

Subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of incorporation	% equity interest		
			31 March 2023	31 December 2022	31 March 2022
Mubarrad for Development and Limited Investment Company W.L.L.	Logistics services	Sudan	100%	100%	100%
Inshaa’ National Real Estate S.P.C.	Real estate	Kuwait	100%	100%	100%
Emdad Equipment Leasing Company K.S.C (Closed)	Logistics services	Kuwait	100%	98%	98%
Takatof Real Estate Co. E.S.C *	Real estate	Egypt	98%	98%	98%

* The remaining shares in this subsidiary are held by other parties on behalf of the Group. Therefore, the effective ownership of the Group in this subsidiary is 100%.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2023 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers 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.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinar (“KD”), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information 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 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 information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the interim condensed consolidated financial information.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

3 NET REAL ESTATE INCOME

	<i>Three months ended 31 March</i>	
	2023	2022
	KD	KD
Rental income from investment properties	432,943	412,705
Real estate related expenses	(21,630)	(16,981)
	411,313	395,724

4 NET INVESTMENT INCOME FROM FINANCIAL ASSETS

	<i>Three months ended 31 March</i>	
	2023	2022
	KD	KD
Profit from term deposits	32,368	11,857
Realised gain on sale of financial assets at fair value through profit or loss	-	17,351
	32,368	29,208

Mubarrad Holding Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

5 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
Profit for the period attributable to the equity holders of the Parent Company (KD)	348,481	594,545
Weighted average number of shares outstanding during the period (shares) *	163,692,748	163,692,769
Basic and diluted EPS (Fils)	2.13	3.63

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which require the restatement of EPS.

6 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	31 March	31 December	31 March
	2023	2022	2022
	KD	KD	KD
As at the beginning of the period/ year	13,053,945	14,420,321	14,420,321
Disposals*	(17,440)	-	-
Exchange differences	(486,502)	(1,366,376)	(521,717)
As at the end of the period/ year	12,550,003	13,053,945	13,898,604

* During the three months ended 31 March 2023, the Group sold a residential unit in Egypt with a carrying amount of KD 17,440 for a cash consideration of KD 18,141. The net gain on from this transaction amounted to KD 701 and was recognised in the interim condensed consolidated statement of profit or loss for the period then ended.

Included within investment properties, the following:

- ▶ Properties in the State of Kuwait with a carrying value of KD 6,250,000 (31 December 2022: KD 6,250,000 and 31 March 2022: KD 6,250,000) pledged as security in order to fulfil collateral requirements of banking facilities obtained from a local financial institution amounting to KD 1,473,400 at the reporting date (31 December 2022: KD 1,473,400 and 31 March 2022: KD 1,430,711).
- ▶ Property with a carrying value of KD 2,800,000 (31 December 2022: KD 2,800,000 and 31 March 2022: KD 2,800,000) is managed by a related party on behalf of the Group for which management fees charged during the current interim reporting period amounted to KD 2,162 (31 March 2022: KD 1,862) (Note 9).

The valuations of investment properties were performed at 31 December by two accredited independent valuers with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. As required by the Capital Market Authority (CMA), the Group has selected the lower of these valuations. The valuation models applied are consistent with the principles in IFRS 13 and fair value is determined using a mix of the income capitalisation method and the market comparison approach considering the nature and usage of each property. Valuation of the Group's investment property portfolio is performed on an annual basis as management believes that there are no significant circumstances that have arisen during the interim reporting period, which may have a material impact on fair value.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

7 INVESTMENT IN AN ASSOCIATE

The Group has 50% (31 December 2022: 50%, 31 March 2022: 50%) interest in Oman Integral Logistics Company O.S.C. (Closed), an associate involved in logistic services. The Group's interest in its associate is accounted for using the equity method. The above associate is a private entity that is not listed on any stock exchange; therefore, no quoted market prices are available for its shares.

A reconciliation of the carrying amount of the associate is set out below:

	31 March 2023	<i>(Audited)</i> 31 December 2022	31 March 2022
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period/ year	3,758,100	3,698,143	3,698,143
Share of results	29,083	120,140	37,255
Dividends received	-	(125,425)	-
Exchange differences	(61,895)	65,242	2,497
As at the end of the period/ year	3,725,288	3,758,100	3,737,895

Although the Group holds 50% equity interest in its associate, the management has concluded that the Group does not exercise control or joint control over the associate.

8 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	31 March 2023	<i>(Audited)</i> 31 December 2022	31 March 2022
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash and bank balances	2,471,307	3,339,046	645,028
Short-term deposits	2,701,057	1,759,355	4,218,478
Cash and short-term deposits	5,172,364	5,098,401	4,863,506
Less: term deposits with maturities of more than three months	(2,701,057)	(1,759,355)	(3,518,478)
Cash and cash equivalents	2,471,307	3,339,046	1,345,028

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 3 and 6 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

9 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (associates, Ultimate Parent, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise control or significant influence) entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Group's management.

The following tables provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2023 and 2022, as well as balances with related parties as at 31 March 2023, 31 December 2022 and 31 March 2022:

	<i>Entities under common control</i>		<i>Three months ended 31 March</i>	
	<i>KD</i>		<i>2023</i>	<i>2022</i>
			<i>KD</i>	<i>KD</i>
Consolidated statement of profit or loss				
Management fees (Note 6)	2,162		2,162	1,862
			<i>(Audited)</i>	
	<i>Other related parties</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>KD</i>	<i>2022</i>	<i>2022</i>
			<i>KD</i>	<i>KD</i>
Consolidated statement of financial position:				
Financial assets at FVPL	275,777	275,777	275,777	297,125
Receivables from related parties	-	-	-	16,937
Payables to related parties	-	-	-	655

Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances with related parties were as follows:

	<i>Transaction values for the three months ended</i>		<i>Balance outstanding as at</i>		
	<i>31 March 2023</i>	<i>31 March 2022</i>	<i>31 March 2023</i>	<i>31 December 2022</i>	<i>31 March 2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	19,407	20,561	-	82,385	-
Employees end of service benefits	2,561	2,561	97,723	11,665	86,061
Directors' remuneration	-	-	30,000	30,000	-
	21,968	23,122	127,723	124,050	86,061

The Board of Directors at the meeting held on 20 March 2023 proposed directors' remuneration of KD 30,000 for the year ended 31 December 2022. The remuneration was approved by the shareholders of the Parent Company at the AGM held on 2 May 2023.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

10 SEGMENT INFORMATION

For management purposes, the Group is organised into four major business segments. The principal activities and services under these segments are as follows:

- ▶ **Real estate:** Buying, selling, capital appreciation and investing in real estate
- ▶ **Investment:** financial assets at fair value through profit or loss, investment in associate and investment properties.
- ▶ **Transport, leasing and maintenance:** leasing, transportation and maintenance of vehicle and equipment to corporate and individual customers and investments with similar or related operations;
- ▶ **Others:** revenues and expenses that are not allocated to the above sectors

	<i>31 March 2023</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Transport, leasing and maintenance KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	12,550,003	4,486,557	135,616	5,572,710	22,744,886
Liabilities	1,473,400	-	51,443	971,188	2,496,031
Income	432,943	29,083	-	41,035	503,061
Segment results	410,840	29,083	-	(74,880)	365,043
	<i>31 March 2022</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Transport, leasing and maintenance KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	13,898,604	4,562,843	416,409	5,205,196	24,083,052
Liabilities	1,430,711	-	60,641	1,009,121	2,500,473
Income	412,705	66,463	(264)	324,179	803,083
Segment results	395,724	66,463	(264)	138,482	600,405
	<i>31 December 2022 (Audited)</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Transport, leasing and maintenance KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	13,053,945	4,485,653	563,484	5,155,517	23,258,599
Liabilities	1,473,400	-	71,398	1,071,006	2,615,804

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair value hierarchy

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial assets and liabilities that are recognised in the interim condensed consolidated financial information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuation methods and assumptions

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The following methods and assumptions were used to estimate the fair values:

Unquoted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Unquoted equity securities are valued based on book value and price to book multiple method, multiples using latest financial statements available of the investee entities. The Group classifies the fair value of these investments as Level 3.

Funds

The Group invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods. The management considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the NAV of these investee funds may be used as an input into measuring their fair value. The Group classifies these funds as Level 3.

Other financial assets and liabilities at amortised cost

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short term maturity or re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period:

	<i>Unquoted securities</i>		
	<i>31 March 2023 KD</i>	<i>31 December 2022 KD</i>	<i>31 March 2022 KD</i>
As at the beginning of the period/ year	727,553	839,145	839,145
Disposal	-	(14,198)	-
Change in fair value	-	(97,394)	(14,197)
As at the end of the period/ year	727,553	727,553	824,948

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 per cent.

12 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors in their meeting held on 20 March 2023, proposed a cash dividend of 5% (2022: Nil) of the paid-up share capital (5 fils per share aggregating to KD 818,465) for the year ended 31 December 2022 (2021: Nil) which were approved by the shareholders of the Parent Company at the annual general meeting (AGM) held on 2 May 2023 and paid subsequently.

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