

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

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

31 MARCH 2024



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 2024, 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.

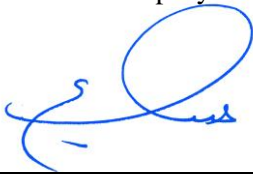
Conclusion

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 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 2024 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 establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM ALSAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

14 May 2024
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 2024

	Notes	Three months ended 31 March	
		2024 KD	2023 KD
INCOME			
Net real estate income	3	470,817	411,313
Profit from term deposits		29,960	32,368
Share of result of associates	6	35,709	29,083
Gain on sale of investment property	5	-	701
Other income		11,885	29,596
Total income		548,371	503,061
EXPENSES AND OTHER CHARGES			
Administrative expenses		(144,654)	(123,518)
Finance costs		(16,219)	(14,500)
Total expenses and other charges		(160,873)	(138,018)
PROFIT BEFORE PROVISION FOR TAX		387,498	365,043
Taxation from subsidiary		(1,420)	-
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		(3,487)	(2,944)
National Labour Support Tax ("NLST")		(10,149)	(9,229)
Zakat		(4,059)	(3,692)
PROFIT FOR THE PERIOD		368,383	349,178
Attributable to:			
Equity holders of the Parent Company		367,870	348,481
Non-controlling interests		513	697
		368,383	349,178
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY (EPS)	4	2.27 Fils	2.13 Fils

The attached notes 1 to 11 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 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	368,383	349,178
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	(1,238,128)	(743,118)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(869,745)	(393,940)
Attributable to:		
Equity holders of the Parent Company	(870,258)	(394,637)
Non-controlling interests	513	697
	(869,745)	(393,940)

The attached notes 1 to 11 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 2024

	Notes	31 March 2024 KD	(Audited) 31 December 2023 KD	31 March 2023 KD
ASSETS				
Non-current assets				
Goodwill		-	-	91,005
Furniture and equipment		550	960	1,324
Investment properties	5	14,799,109	15,002,082	12,550,003
Investment in associates	6	4,025,622	3,954,409	3,725,288
Financial asset at fair value through profit or loss	10	986,137	986,137	727,553
		<u>19,811,418</u>	<u>19,943,588</u>	<u>17,095,173</u>
Current assets				
Accounts receivable and prepayments		345,576	304,024	477,349
Cash and short-term deposits	7	1,952,855	3,305,341	5,172,364
		<u>2,298,431</u>	<u>3,609,365</u>	<u>5,649,713</u>
TOTAL ASSETS		<u>22,109,849</u>	<u>23,552,953</u>	<u>22,744,886</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,610,326	1,610,326	1,405,545
Treasury shares		(132,605)	-	(3)
Other reserve		(1,432)	(1,432)	(1,432)
Foreign currency translation reserve		(5,075,572)	(3,837,444)	(3,849,244)
Effect of changes in reserves of an associate		(50,174)	(50,174)	(50,174)
Retained earnings		7,230,980	6,863,110	6,314,373
		<u>19,950,800</u>	<u>20,953,663</u>	<u>20,188,342</u>
Equity attributable to equity holders of the Parent Company		<u>19,950,800</u>	<u>20,953,663</u>	<u>20,188,342</u>
Non-controlling interests		34,384	33,871	60,513
Total equity		<u>19,985,184</u>	<u>20,987,534</u>	<u>20,248,855</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		409,870	391,428	344,578
		<u>409,870</u>	<u>391,428</u>	<u>344,578</u>
Current liabilities				
Accounts payable and accruals		686,620	883,800	678,053
Islamic finance payables	5	1,028,175	1,290,191	1,473,400
		<u>1,714,795</u>	<u>2,173,991</u>	<u>2,151,453</u>
Total liabilities		<u>2,124,665</u>	<u>2,565,419</u>	<u>2,496,031</u>
TOTAL EQUITY AND LIABILITIES		<u>22,109,849</u>	<u>23,552,953</u>	<u>22,744,886</u>


Saad Bandar Al-Lafi
Vice Chairman & CEO

The attached notes 1 to 11 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 2024

	<i>Attributable to equity holders of the Parent Company</i>									
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Treasury shares KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Effect of changes in reserves of an associate KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2024	16,369,277	1,610,326	-	(1,432)	(3,837,444)	(50,174)	6,863,110	20,953,663	33,871	20,987,534
Profit for the period	-	-	-	-	-	-	367,870	367,870	513	368,383
Other comprehensive loss	-	-	-	-	(1,238,128)	-	-	(1,238,128)	-	(1,238,128)
Total comprehensive (loss) income for the period	-	-	-	-	(1,238,128)	-	367,870	(870,258)	513	(869,745)
Purchase of treasury shares	-	-	(132,605)	-	-	-	-	(132,605)	-	(132,605)
At 31 March 2024	16,369,277	1,610,326	(132,605)	(1,432)	(5,075,572)	(50,174)	7,230,980	19,950,800	34,384	19,985,184
As at 1 January 2023	16,369,277	1,405,545	(3)	(1,432)	(3,106,126)	(50,174)	5,965,892	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)	(1,432)	(3,849,244)	(50,174)	6,314,373	20,188,342	60,513	20,248,855

The attached notes 1 to 11 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 2024

	Notes	Three months ended 31 March	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit before tax		387,498	365,043
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation		410	473
Profit from term deposits		(29,960)	(32,368)
Gain on sale of investment property	5	-	(701)
Share of results of associates	6	(35,709)	(29,083)
Provision for employees' end of service benefits		18,442	7,125
Finance costs		16,219	14,500
		356,900	324,989
<i>Working capital adjustments:</i>			
Accounts receivable and prepayments		(37,447)	46,138
Accounts payable and accruals		(100,569)	(142,763)
Cash flows from operations		218,884	228,364
Taxes paid		(56,101)	-
Net cash flows from operating activities		162,783	228,364
INVESTING ACTIVITIES			
Net movement in term deposits		(35,886)	(941,702)
Profit received from term deposits		25,855	28,057
Purchase of investment properties	5	(658,520)	-
Proceeds from sale of investment property	5	-	18,141
Dividends received from associates	6	12,545	-
Net cash flows used in investing activities		(656,006)	(895,504)
FINANCING ACTIVITIES			
Finance costs paid		(75,844)	(14,500)
Repayment of Islamic finance payables		(262,016)	-
Purchase of treasury shares		(132,605)	-
Net cash flows used in financing activities		(470,465)	(14,500)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(963,688)	(681,640)
Net foreign exchange differences		(424,684)	(186,099)
Cash and cash equivalents at 1 January		2,850,261	3,339,046
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	1,461,889	2,471,307

The attached notes 1 to 11 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 2024

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 2024 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 14 May 2024.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 17 April 2024 approved the consolidated financial statements for the year ended 31 December 2023. Dividends declared by the Group for the year then ended are provided in Note 11.

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 1.2. 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:

			<i>% equity interest</i>		
			<i>(Audited)</i>		
	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2023</i>
Mubarrad for Development and Limited Investment Company W.L.L.	Logistics Services	Sudan	100%	100%	100%
Emdad Equipment Leasing Company K.S.C (Closed)	Logistics Services	Kuwait	98%	98%	100%
Takatof Real Estate Co. E.S.C *	Real Estate	Egypt	98%	98%	100%
Inshaa Al Ahlia Real Estate W.L.L.	Real Estate	Kuwait	-	-	100%

* 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 2024 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 2023. Further, results for the three months period ended 31 March 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
Rental income from investment properties	489,047	432,943
Real estate related expenses	(18,230)	(21,630)
	470,817	411,313

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 2024

4 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 less treasury shares. 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>	
	2024	2023
Profit for the period attributable to the equity holders of the Parent Company (KD)	367,870	348,481
Weighted average number of shares outstanding during the period (shares) *	162,249,217	163,692,748
Basic and diluted EPS (Fils)	2.27	2.13

* 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.

5 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2024	2023	2023
	KD	KD	KD
As at the beginning of the period/ year	15,002,082	13,053,945	13,053,945
Additions*	658,520	2,027,958	-
Disposals	-	(69,689)	(17,440)
Change in fair value	-	554,147	-
Exchange differences	(861,493)	(564,279)	(486,502)
As at the end of the period/ year	14,799,109	15,002,082	12,550,003

* During the period, the Group purchased residential units in Egypt with a cash consideration of KD 658,520.

Included within investment properties, the following:

- ▶ Properties in the State of Kuwait with a carrying value of KD 6,250,000 (31 December 2023: KD 6,250,000 and 31 March 2023: KD 6,250,000) are pledged as security in order to fulfil collateral requirements of banking facilities obtained from a local financial institution amounting to KD 1,028,175 at the reporting date (31 December 2023: KD 1,290,191 and 31 March 2023: KD 1,473,400).
- ▶ Property with a carrying value of KD 2,800,000 (31 December 2023: KD 2,800,000 and 31 March 2023: KD 2,800,000) is managed by a related party on behalf of the Group for which management fees charged during the period amounted to KD Nil (31 March 2023: KD 2,162) (Note 8).

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 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 2024

6 INVESTMENT IN ASSOCIATES

The Group has the following investment in associates:

	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>% equity interest</i>		
			<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2023</i>
Oman Integral Logistics Company O.S.C. (Closed) *	Logistics services	Oman	50%	50%	50%
Inshaa Al Ahlia Real Estate W.L.L.	Real estate	Kuwait	20%	20%	Nil

* As at 31 March 2024, the Group has 50% (31 December 2023: 50%, 31 March 2023: 50%) interest in Oman Integral Logistics Company O.S.C. (Closed), an associate involved in logistic services that is accounted for using the equity method. The associate is a private entity that is not listed on any stock exchange; therefore, no quoted market prices are available for its shares. Although the Group holds 50% equity interest in the associate, the management has concluded that the Group does not exercise control or joint control over the associate.

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

	<i>31 March 2024</i>	<i>(Audited) 31 December 2023</i>	<i>31 March 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period/ year	3,954,409	3,758,100	3,758,100
Share of results	35,709	182,145	29,083
Dividends received	(12,545)	(50,217)	-
Fair value adjustment of retained interest in a former subsidiary	-	11,187	-
Exchange differences	48,049	53,194	(61,895)
As at the end of the period/ year	<u>4,025,622</u>	<u>3,954,409</u>	<u>3,725,288</u>

7 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:

	<i>31 March 2024</i>	<i>(Audited) 31 December 2023</i>	<i>31 March 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash and bank balances	1,461,889	2,850,261	2,471,307
Short-term deposits	490,966	455,080	2,701,057
Cash and short-term deposits	1,952,855	3,305,341	5,172,364
Less: term deposits with maturities of more than three months	(490,966)	(455,080)	(2,701,057)
Cash and cash equivalents	<u>1,461,889</u>	<u>2,850,261</u>	<u>2,471,307</u>

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 2024

8 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (i.e. 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 2024 and 2023, as well as balances with related parties as at 31 March 2024, 31 December 2023 and 31 March 2023:

	<i>Entity under common control</i>				
	<i>Three months ended 31 March</i>				
	2024				
	KD			KD	KD
Interim condensed consolidated statement of profit or loss					
Management fees (Note 5)	-			-	2,162
	<i>Ultimate Parent Company</i>	<i>Other related parties</i>	<i>31 March 2024</i>	<i>(Audited) 31 December 2023</i>	<i>31 March 2023</i>
	KD	KD	KD	KD	KD
Interim condensed consolidated statement of financial position:					
Financial assets at FVPL	-	534,361	534,361	534,361	275,777
Amount due from a related party *	22,562	-	22,562	22,562	-

* Amount due from related party (included under accounts receivable and prepayments) represents the consideration receivable on disposal of 80% equity interest in Inshaa Al Ahlia Real Estate W.L.L.

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>(Audited)</i>		
	31 March 2024	31 March 2023	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD	KD	KD
Salaries and other short-term benefits	19,203	19,407	4,941	20,855	-
Employees end of service benefits	13,410	2,561	118,952	105,542	97,723
Directors' remuneration	-	-	30,000	30,000	30,000
	32,613	21,968	153,893	156,397	127,723

The Board of Directors at the meeting held on 28 February 2024 proposed directors' remuneration of KD 30,000 for the year ended 31 December 2023. The remuneration was approved by the shareholders of the Parent Company at the AGM held on 17 April 2024.

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 2024

9 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 2024</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	14,799,109	5,101,578	2,209,162	22,109,849
Liabilities	1,028,175	41,005	1,055,485	2,124,665
Income	489,047	35,709	23,615	548,371
Segment results	470,817	35,709	(119,028)	387,498

	<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 December 2023 (Audited)</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	15,002,082	5,214,663	3,336,208	23,552,953
Liabilities	1,290,191	44,141	1,231,087	2,565,419

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

10 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 dividend discount model and book value and price to book multiple method, multiples using latest financial statements available of the investee entities after considering for Discount for lack of marketability (DLOM) in the range of 20%-80%. The Group classifies the fair value of these investments as Level 3. The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Funds

The Group invests in a 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 Net Asset Value (NAV) of these 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 2024 KD</i>	<i>31 December 2023 KD</i>	<i>31 March 2023 KD</i>
As at the beginning of the period/ year	986,137	727,553	727,553
Change in fair value	-	258,584	-
As at the end of the period/ year	986,137	986,137	727,553

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

10 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 2023.

11 ANNUAL GENERAL MEETING AND DISTRIBUTION APPROVED

The Board of Directors in their meeting held on 28 February 2024, proposed a cash dividend of 5% (2023: 5%) of the paid-up share capital (5 fils per share aggregating to KD 818,464) for the year ended 31 December 2023 (2022: KD 818,464) which were approved by the shareholders of the Parent Company at the annual general meeting (AGM) held on 17 April 2024. This is a subsequent non-adjusting event.

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