

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

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

30 SEPTEMBER 2022

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 30 September 2022, and the related interim condensed consolidated statement of profit or loss, and interim condensed consolidated statement of comprehensive income for the three- month and nine-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2021 and the interim condensed consolidated financial information for the nine-month period ended 30 September 2021 were audited and reviewed, respectively, by another auditor who expressed an unmodified opinion and conclusion on those statements and information on 14 February 2022 and 11 November 2021, respectively.

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

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 nine-month period ended 30 September 2022 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 nine-month period ended 30 September 2022 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

1 November 2022
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2022

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022 KD	2021 KD	2022 KD	2021 KD
INCOME					
Net loss from transport, leasing and maintenance operations		(2,100)	(12,438)	(1,237)	(34,947)
Net real estate income	3	419,127	357,261	1,240,009	1,099,747
Net investment income from financial assets	4	30,065	23,048	96,752	41,604
Share of result of an associate	7	19,005	67,239	85,212	234,584
Gain on sale of furniture and equipment		16,000	12,800	346,787	24,050
Gain on sale of investment property		-	500,000	-	500,000
Other income (expense)		17,401	(161)	39,206	124,535
Total income		499,498	947,749	1,806,729	1,989,573
EXPENSES AND OTHER CHARGES					
Administrative expenses		(111,739)	(153,644)	(389,866)	(433,816)
Finance costs		(14,284)	(16,325)	(42,386)	(48,889)
Total expenses		(126,023)	(169,969)	(432,252)	(482,705)
PROFIT BEFORE TAX		373,475	777,780	1,374,477	1,506,868
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		(3,361)	(8,344)	(12,375)	(15,054)
National Labour Support Tax (“NLST”)		(9,409)	(19,463)	(34,323)	(36,067)
Zakat		(3,763)	(7,786)	(13,729)	(14,427)
PROFIT FOR THE PERIOD		356,942	742,187	1,314,050	1,441,320
Attributable to:					
Equity holders of the Parent Company		356,162	742,164	1,306,868	1,441,292
Non-controlling interests		780	23	7,182	28
		356,942	742,187	1,314,050	1,441,320
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY (EPS)					
	5	2.17 Fils	4.53 Fils	7.98 Fils	8.81 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 30 September 2022

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	356,942	742,187	1,314,050	1,441,320
Other comprehensive (loss) income				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(30,797)	3,752	(735,783)	(30,492)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	326,145	745,939	578,267	1,410,828
Attributable to:				
Equity holders of the Parent Company	325,365	745,916	571,085	1,410,800
Non-controlling interests	780	23	7,182	28
	326,145	745,939	578,267	1,410,828


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 30 September 2022

	Notes	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
ASSETS				
Non-current assets				
Goodwill		91,005	91,005	91,005
Furniture and equipment		7,205	40,628	65,041
Investment properties	6	13,765,368	14,420,321	12,642,938
Investment in an associate	7	3,786,210	3,698,143	3,716,932
Financial asset at fair value through profit or loss	11	824,948	839,145	894,459
Accounts receivable and prepayments		84,000	-	1,550,000
		<u>18,558,736</u>	<u>19,089,242</u>	<u>18,960,375</u>
Current assets				
Inventories		-	-	16,796
Accounts receivable and prepayments		531,674	522,039	798,577
Cash and short-term deposits	8	4,853,695	4,884,238	4,386,117
		<u>5,385,369</u>	<u>5,406,277</u>	<u>5,201,490</u>
TOTAL ASSETS		<u><u>23,944,105</u></u>	<u><u>24,495,519</u></u>	<u><u>24,161,865</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,244,220	1,244,220	1,064,855
Treasury shares		(3)	-	-
Treasury shares reserve		-	84,733	84,733
Other reserve		(3,594)	(3,594)	(3,594)
Foreign currency translation reserve		(2,189,569)	(1,453,786)	(1,442,365)
Effect of changes in reserves of an associate		117,874	117,874	117,874
Retained earnings		5,755,484	5,182,347	5,118,725
Equity attributable to equity holders of the Parent Company		<u>21,293,689</u>	<u>21,541,071</u>	<u>21,309,505</u>
Non-controlling interests		58,974	51,792	51,782
Total equity		<u>21,352,663</u>	<u>21,592,863</u>	<u>21,361,287</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		325,648	328,853	325,599
Current liabilities				
Accounts payable and accruals		806,671	954,674	807,410
Islamic finance payables	6	1,459,123	1,619,129	1,667,569
		<u>2,265,794</u>	<u>2,573,803</u>	<u>2,474,979</u>
Total liabilities		<u>2,591,442</u>	<u>2,902,656</u>	<u>2,800,578</u>
TOTAL EQUITY AND LIABILITIES		<u><u>23,944,105</u></u>	<u><u>24,495,519</u></u>	<u><u>24,161,865</u></u>


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 30 September 2022

	<i>Attributable to equity holders of the Parent Company</i>										
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Other reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Effect of changes in reserve of associates</i> KD	<i>Retained earnings</i> KD	<i>Sub-total</i> KD	<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
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	-	-	-	-	-	-	-	1,306,868	1,306,868	7,182	1,314,050
Other comprehensive loss	-	-	-	-	-	(735,783)	-	-	(735,783)	-	(735,783)
Total comprehensive (loss) income for the period	-	-	-	-	-	(735,783)	-	1,306,868	571,085	7,182	578,267
Purchase of treasury shares	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Transfer of treasury shares reserve to retained earnings	-	-	-	(84,733)	-	-	-	84,733	-	-	-
Cash dividends (Note 14)	-	-	-	-	-	-	-	(818,464)	(818,464)	-	(818,464)
At 30 September 2022	16,369,277	1,244,220	(3)	-	(3,594)	(2,189,569)	117,874	5,755,484	21,293,689	58,974	21,352,663
As at 1 January 2021	16,369,277	1,064,855	(671)	84,388	(3,594)	(1,411,873)	117,874	3,677,433	19,897,689	51,754	19,949,443
Profit for the period	-	-	-	-	-	-	-	1,441,292	1,441,292	28	1,441,320
Other comprehensive loss	-	-	-	-	-	(30,492)	-	-	(30,492)	-	(30,492)
Total comprehensive (loss) income for the period	-	-	-	-	-	(30,492)	-	1,441,292	1,410,800	28	1,410,828
Sale of treasury shares	-	-	671	345	-	-	-	-	1,016	-	1,016
At 30 September 2021	16,369,277	1,064,855	-	84,733	(3,594)	(1,442,365)	117,874	5,118,725	21,309,505	51,782	21,361,287

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 30 September 2022

	Notes	Nine months ended 30 September	
		2022 KD	2021 KD
OPERATING ACTIVITIES			
Profit before tax		1,374,477	1,506,868
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of furniture and equipment		(346,787)	(24,050)
Profit from term deposits	4	(79,401)	(41,604)
Realised gain on sale of financial assets at fair value through profit or loss	4	(17,351)	-
Gain on sale of investment property		-	(500,000)
Share of results of an associate	7	(85,212)	(234,584)
Reversal of tax provisions no longer required		(2,437)	(57,741)
Provision for employees' end of service benefits		19,831	32,666
Finance costs		42,386	48,889
		905,506	730,444
<i>Working capital adjustments:</i>			
Accounts receivable and prepayments		(9,635)	1,441,490
Inventories		-	1,226
Accounts payable and accruals		(205,993)	(35,983)
Cash flows from operations		689,878	2,137,177
Employees' end of service benefits paid		(23,036)	(34,557)
Net cash flows from operating activities		666,842	2,102,620
INVESTING ACTIVITIES			
Net movement in term deposits		180,688	(806,100)
Profit received from term deposits		79,401	35,066
Accounts receivable and prepayments		(84,000)	-
Proceeds from sale of financial assets at fair value through profit or loss		31,548	-
Proceeds from disposal of furniture and equipment		379,000	47,523
Proceeds from sale of investment property	6	-	1,900,000
Advance payments towards purchase of investment property		-	(1,550,000)
Dividends received from associate	7	62,387	92,023
Net cash flows from (used in) investing activities		649,024	(281,488)
FINANCING ACTIVITIES			
Finance costs paid		(42,386)	(48,889)
Repayment of Islamic finance payables		(160,006)	(161,222)
Purchase of treasury shares		(3)	-
Proceeds from sale of treasury shares		-	1,016
Dividends paid to equity holders of the Parent Company	12	(818,464)	(333,820)
Net cash flows used in financing activities		(1,020,859)	(542,915)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference		(144,862)	3,109
Cash and cash equivalents at 1 January		1,484,238	1,298,691
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	8	1,634,383	2,580,017

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 30 September 2022

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 nine months ended 30 September 2022 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 1 November 2022.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 10 April 2022 approved the consolidated financial statements for the year ended 31 December 2021. 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, Mezzanine Office#12, Kuwait.

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

			% equity interest		
			<i>(Audited)</i>		
	Principal activities	Country of incorporation	30 September 2022	31 December 2021	30 September 2021
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	98%	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 nine months ended 30 September 2022 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The 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 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 2021.

The interim condensed consolidated financial information provides comparative information in respect of the previous period. Certain comparative information has been reclassified and represented to conform to classification in the current period. Such reclassification has been made to improve the quality of information presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

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 2021, except for the adoption of new standards effective as of 1 January 2022. 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 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

These amendments had no impact on the interim condensed consolidated financial information as the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

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

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Rental income from investment properties	441,295	426,329	1,300,689	1,297,446
Real estate related expenses	(22,168)	(69,068)	(60,680)	(197,699)
	419,127	357,261	1,240,009	1,099,747

4 NET INVESTMENT INCOME FROM FINANCIAL ASSETS

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit from term deposits	30,065	23,048	79,401	41,604
Realised gain on sale of financial assets at fair value through profit or loss	-	-	17,351	-
	30,065	23,048	96,752	41,604

The valuations of investment properties were performed at 31 December by accredited independent valuers with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. The fair value was determined using a mix of 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 period, which may have an 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 30 September 2022

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>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	356,162	742,164	1,306,868	1,441,292
Weighted average number of shares outstanding during the period (shares) *	163,692,769	163,692,769	163,692,769	163,692,769
Basic and diluted EPS (Fils)	2.17	4.53	7.98	8.81

* 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>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period/ year	14,420,321	13,967,371	14,062,354
Additions	-	1,733,139	-
Disposals	-	(1,400,000)	(1,400,000)
Change in fair value	-	30,861	-
Exchange differences	(654,953)	88,950	(19,416)
As at the end of the period/ year	13,765,368	14,420,321	12,642,938

Included within investment properties, the following:

- ▶ Properties in the State of Kuwait with a carrying value of KD 6,250,000 (31 December 2021: 6,250,000 and 30 September 2021: 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 1,459,123 at the reporting date (31 December 2021: 1,619,129 and 30 September 2021: KD 1,667,569).
- ▶ Property with a carrying value of KD 2,800,000 (31 December 2021: 2,800,000 and 30 September 2021: KD 2,560,000) 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 5,611 (30 September 2021: KD 6,117) (Note 19).

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As at and for the period ended 30 September 2022

7 INVESTMENT IN AN ASSOCIATE

The Group has 50% (31 December 2020: 50%, 30 September 2021: 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:

	30 September 2022	<i>(Audited)</i> 31 December 2021	30 September 2021
	KD	KD	KD
As at the beginning of the period/ year	3,698,143	3,587,040	3,587,040
Share of results	85,212	268,969	234,584
Dividends received	(62,387)	(122,767)	(92,023)
Exchange differences	65,242	(35,099)	(12,669)
As at the end of the period/ year	3,786,210	3,698,143	3,716,932

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 statement of cash flows, cash and cash equivalents are comprised of the following:

	30 September 2022	<i>(Audited)</i> 31 December 2021	30 September 2021
	KD	KD	KD
Cash and bank balances	1,059,229	1,484,238	1,580,017
Term deposits placements with financial institutions	3,794,466	3,400,000	2,806,100
Cash and short-term deposits	4,853,695	4,884,238	4,386,117
Less: term deposits with maturities of more than 3 months	(3,219,312)	(3,400,000)	(1,806,100)
Cash and cash equivalents	1,634,383	1,484,238	2,580,017

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

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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 nine months ended 30 September 2022 and 2021, as well as balances with related parties as at 30 September 2022, 31 December 2021 and 30 September 2021:

<i>Other related parties</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of profit or loss				
Management fees (Note 7)	5,611	2,860	5,611	6,117
			(Audited)	
	<i>Ultimate Parent</i>	<i>Other related parties</i>	<i>30 September 2022</i>	<i>31 December 2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of financial position:				
Financial assets at FVPL	-	297,125	297,125	297,125
Receivables from related parties	-	8,088	8,088	19,800
Payables to related parties	655	-	655	655

Details of other related party disclosures are provided in Note 6.

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 period ended</i>		<i>Balance outstanding as at</i>		
	<i>30 September 2022</i>	<i>30 September 2021</i>	<i>30 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	20,617	20,617	61,767	-	61,767
Employees end of service benefits	3,874	2,533	91,263	82,239	79,622
	24,491	23,150	153,030	82,239	141,389

The Board of Directors at the meeting held on 13 February 2022 proposed directors' remuneration of KD 30,000 for the year ended 31 December 2021. The remuneration was approved by the shareholders of the Parent Company at the AGM held on 10 April 2022.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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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>30 September 2022</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Transport, leasing and maintenance KD</i>	<i>Others KD</i>	<i>Total KD</i>
Assets	13,765,368	4,611,158	510,105	5,057,474	23,944,105
Liabilities	1,459,123	-	53,020	1,079,299	2,591,442
Income	1,300,689	181,964	22,687	385,993	1,891,333
Segment results	1,240,009	181,964	(1,237)	(106,686)	1,314,050
	<i>30 September 2021</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Transport, leasing and maintenance KD</i>	<i>Others KD</i>	<i>Total KD</i>
Assets	14,192,938	4,611,391	161,372	5,196,164	24,161,865
Liabilities	1,667,569	-	62,620	1,070,389	2,800,578
Income	1,797,446	276,188	34,085	148,585	2,256,304
Segment results	1,599,747	276,188	(34,947)	(399,668)	1,441,320
	<i>31 December 2021 (Audited)</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Transport, leasing and maintenance KD</i>	<i>Others KD</i>	<i>Total KD</i>
Assets	14,420,321	4,537,288	155,096	5,382,814	24,495,519
Liabilities	1,635,098	-	79,196	1,188,362	2,902,656

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 30 September 2022

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

All assets and liabilities 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 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.

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

Set out below that are a summary of financial instruments measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	Fair value measurement using			Total KD
	Quoted prices in active markets (Level 1) KD	Unobservable inputs (Level 2) KD	Significant unobservable inputs (Level 3) KD	
30 September 2022				
Unquoted equity securities	-	-	373,177	373,177
Unquoted funds	-	451,771	-	451,771
	-	451,771	373,177	824,948
31 December 2021 (Audited)				
Unquoted equity securities	-	-	373,177	373,177
Unquoted funds	-	465,968	-	465,968
	-	465,968	373,177	839,145
30 September 2021				
Quoted equity securities	1,247	-	-	1,247
Unquoted equity securities	-	-	427,244	427,244
Unquoted funds	-	465,968	-	465,968
	1,247	465,968	427,244	894,459

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 30 September 2022

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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>30 September 2022 KD</i>	<i>31 December 2021 KD</i>	<i>30 September 2021 KD</i>
As at the beginning of the period/ year	373,177	427,244	427,244
Change in fair value	-	(54,067)	-
As at the end of the period/ year	373,177	373,177	427,244

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 2021.

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.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates.

12 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors in their meeting held on 13 February 2022, proposed a cash dividend of 5% (2021: Nil) of the paid-up share capital (5 fils per share aggregating to KD 818,464) for the year ended 31 December 2021 (2020: Nil) which were approved by the shareholders of the Parent Company at the annual general meeting (AGM) held on 10 April 2022 and paid subsequently.