

**AL MADAR INVESTMENT COMPANY K.S.C.P.  
AND ITS SUBSIDIARIES (FORMERLY AL  
MADAR FINANCE AND INVESTMENT  
COMPANY K.S.C.P)**

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

**31 MARCH 2023**





Ernst & Young  
Al Aiban, Al Osaimi & Partners  
P.O. Box 74  
18–20th Floor, Baitak Tower  
Ahmed Al Jaber Street  
Safat Square 13001, Kuwait

Tel: +965 2295 5000  
Fax: +965 2245 6419  
kuwait@kw.ey.com  
ey.com/mena

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR INVESTMENT COMPANY K.S.C.P.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Madar Investment Company K.S.C.P. (Formerly Al Madar Finance and Investment Company K.S.C.P.) (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 IAS 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.

### ***Emphasis of Matter***

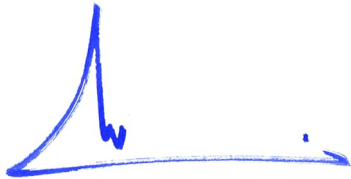
We draw attention to Note 7 in the interim condensed consolidated financial information which states that the Group is the ultimate beneficiary of certain investment properties with a carrying value of KD 3,954,944 (31 December 2022: KD 3,953,026 and 31 March 2022: KD 4,031,612) registered in the name of a related party on behalf of the Group. Our conclusion is not modified in respect of this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR INVESTMENT COMPANY K.S.C.P. (continued)**

**Report on Other Legal and Regulatory Matters**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account 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, nor 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

11 May 2023  
Kuwait

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UNAUDITED)

For the period ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 KD	2022 KD
<b>INCOME</b>			
Net real estate income	3	139,320	108,916
Net (loss) gain on investment securities	4	(55,857)	26,021
Reversal of expected credit losses		11,075	1,400
Other income		24,091	4,731
		<u>118,629</u>	<u>141,068</u>
<b>EXPENSES</b>			
Administrative expenses		(159,409)	(151,369)
Finance costs	11	(10,845)	(9,584)
		<u>(170,254)</u>	<u>(160,953)</u>
<b>LOSS FOR THE PERIOD</b>		<u>(51,625)</u>	<u>(19,885)</u>
<b>Attributable to:</b>			
Equity holders of the Parent Company		(51,773)	(26,100)
Non-controlling interests		148	6,215
<b>LOSS FOR THE PERIOD</b>		<u>(51,625)</u>	<u>(19,885)</u>
<b>BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY</b>	5	<u>(0.250) Fils</u>	<u>(0.126) Fils</u>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2023</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>
<b>LOSS FOR THE PERIOD</b>	<b>(51,625)</b>	<b>(19,885)</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<b>181</b>	764
<b>Other comprehensive income for the period</b>	<b>181</b>	764
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(51,444)</b>	<b>(19,121)</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>(51,637)</b>	(25,336)
Non-controlling interests	<b>193</b>	6,215
	<b>(51,444)</b>	<b>(19,121)</b>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

	<i>Notes</i>	<i>31 March 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>31 March 2022 KD</i>
<b>ASSETS</b>				
Bank balances and cash		359,460	318,252	241,391
Financial assets at fair value through profit or loss	13	835,737	891,594	1,012,936
Other assets	6	472,982	479,166	7,206,190
Investment properties	7	26,171,807	26,169,889	19,386,118
Furniture and equipment		-	-	3,726
<b>TOTAL ASSETS</b>		<u>27,839,986</u>	<u>27,858,901</u>	<u>27,850,361</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		21,386,865	21,386,865	21,386,865
Statutory reserve		148,859	148,859	143,613
Share premium		4,990,296	4,990,296	4,990,296
Treasury shares	8	(4,573,296)	(4,573,296)	(4,573,296)
Other reserve		(122,147)	(122,147)	(122,147)
Foreign currency translation reserve		128,994	128,858	127,548
Retained earnings		35,260	87,033	33,526
<b>Equity attributable to equity holders of the Parent Company</b>		<u>21,994,831</u>	<u>22,046,468</u>	<u>21,986,405</u>
Non-controlling interests		1,530,600	1,530,407	1,762,279
<b>Total equity</b>		<u>23,525,431</u>	<u>23,576,875</u>	<u>23,748,684</u>
<b>Liabilities</b>				
Employees' end of service benefits		365,343	352,902	356,163
Other liabilities		3,949,212	3,929,124	3,745,514
<b>Total liabilities</b>		<u>4,314,555</u>	<u>4,282,026</u>	<u>4,101,677</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>27,839,986</u>	<u>27,858,901</u>	<u>27,850,361</u>

  
 Hamad Saleh Al-Thukair  
 Vice Chairman

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

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>Non-controlling interests</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Other reserve</i>	<i>Foreign currency translation reserve</i>	<i>Retained earnings</i>			<i>Sub-total</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>	
<b>As at 1 January 2023 (audited)</b>	<b>21,386,865</b>	<b>148,859</b>	<b>4,990,296</b>	<b>(4,573,296)</b>	<b>(122,147)</b>	<b>128,858</b>	<b>87,033</b>	<b>22,046,468</b>	<b>1,530,407</b>	<b>23,576,875</b>
(Loss) profit for the period	-	-	-	-	-	-	(51,773)	(51,773)	148	(51,625)
Other comprehensive income for the period	-	-	-	-	-	136	-	136	45	181
Total comprehensive income (loss) for the period	-	-	-	-	-	136	(51,773)	(51,637)	193	(51,444)
<b>At 31 March 2023</b>	<b>21,386,865</b>	<b>148,859</b>	<b>4,990,296</b>	<b>(4,573,296)</b>	<b>(122,147)</b>	<b>128,994</b>	<b>35,260</b>	<b>21,994,831</b>	<b>1,530,600</b>	<b>23,525,431</b>
As at 1 January 2022 (audited)	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	126,784	59,626	22,011,741	1,756,064	23,767,805
(Loss) profit for the period	-	-	-	-	-	-	(26,100)	(26,100)	6,215	(19,885)
Other comprehensive income for the period	-	-	-	-	-	764	-	764	-	764
Total comprehensive income (loss) for the period	-	-	-	-	-	764	(26,100)	(25,336)	6,215	(19,121)
At 31 March 2022	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	127,548	33,526	21,986,405	1,762,279	23,748,684

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the period ended 31 March 2023

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	<b>2023</b>	<b>2022</b>
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Loss for the period		<b>(51,625)</b>	(19,885)
<i>Adjustments to reconcile loss for the period to net cash flows:</i>			
Depreciation of furniture and equipment		-	272
Fair value loss on financial assets at FVPL		<b>55,857</b>	15,018
Realised gain on sale of financial assets at FVPL	4	-	(41,039)
Reversal of expected credit losses		<b>(11,075)</b>	(1,400)
Provision for employees' end of service benefits		<b>16,341</b>	6,469
Finance costs	11	<b>10,845</b>	9,584
		<b>20,343</b>	(30,981)
<i>Changes in operating assets and liabilities:</i>			
Financial assets at FVPL		-	(455,477)
Other assets		<b>17,259</b>	(12,780)
Other liabilities		<b>9,243</b>	(121,514)
Cash flow from (used in) operations		<b>46,845</b>	(620,752)
Employees' end of service benefits paid		<b>(3,900)</b>	(500)
<b>Net cash flows from (used in) operating activities</b>		<b>42,945</b>	(621,252)
<b>NET INCREASE (DECREASE) IN BANK BALANCES AND CASH</b>			
Net foreign exchange differences		<b>(1,737)</b>	(9,977)
Bank balances and cash at 1 January		<b>318,252</b>	872,620
<b>BANK BALANCES AND CASH AT 31 MARCH</b>		<b>359,460</b>	241,391

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.



# Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

## 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 Al Madar Investment Company K.S.C.P. (formerly Al Madar Finance and Investment 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 11 May 2023.

The annual general assembly meeting ("AGM") of the Parent Company for the year ended 31 December 2022 has not been held yet. Accordingly, the shareholders of the Parent Company have not yet approved the consolidated financial statements for the year ended 31 December 2022. The interim condensed consolidated financial information for the three months period ended 31 March 2023 do not include any adjustments, which might have been required.

The Parent Company is a public shareholding company, incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Bursa Kuwait. The Parent Company is regulated by the Capital Markets Authority ("CMA") as an investment Advisor and Investment Portfolio Manager.

Pursuant to the extraordinary general assembly meeting held on 18 July 2023, the shareholders approved the amendments to the Parent Company's principal activities and change in its legal name to Al Madar Investment Company K.S.C.P. and is no longer regulated by the Central Bank of Kuwait ("CBK"). The aforementioned changes were authenticated in the commercial register on 3 August 2023.

The Parent Company's head office is located at Al Salam Tower, Fahad Al Salem Street, Al Salhia and its registered postal address is P.O. Box 1376, Safat 13014, State of 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 Al Thekair General Trading and Contracting Company W.L.L. (the "Ultimate Parent Company").

### 1.2 GROUP INFORMATION

#### Subsidiaries

The interim condensed consolidated financial information of the Group include:

Name of subsidiary	Principal activities	Country of incorporation	% equity interest		
			31 March 2023	31 December 2022 (Audited)	31 March 2022
Dar Al-Thuraya Real Estate Company K.S.C.P. ("Dar Al-Thuraya")	Real estate	Kuwait	91.46%	91.46%	89.91%
Al Madar Real Estate Development Company K.S.C. (Closed) ("Al Madar Real Estate")	Real estate	Kuwait	100%	100%	100%
Al Thuraya for Warehousing and Refrigeration Company K.S.C. (Closed) *	Leasing activities	Kuwait	99%	99%	99%
<b>Indirectly held through Dar Al-Thuraya</b>					
Al Thuraya Star Company W.L.L.	General trading and contracting	Kuwait	100%	100%	100%
Kuwait Building Real Estate Company K.S.C. (Closed) *	Real estate	Kuwait	99%	99%	99%
Golden Madar Real Estate Company W.L.L.	Real estate	Kuwait	100%	100%	100%
<b>Indirectly held through Al Madar Real Estate</b>					
Al Murooj Al Khaleejyah for Trading L.L.C.	Construction	Oman	75%	75%	75%

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

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**

**2.1 Basis of preparation**

The interim condensed consolidated financial information of the Group has 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 doubt 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 the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

**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</i>	
	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>
Rental income arising from operating leases on investment properties	<b>157,413</b>	129,292
Property operating expenses	<b>(18,093)</b>	(20,376)
	<b>139,320</b>	108,916

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

**4 NET GAIN (LOSS) ON INVESTMENT SECURITIES**

	<i>Three months ended 31 March</i>	
	<b>2023</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>
Fair value gain (loss) on financial assets at FVPL	<b>(55,857)</b>	(15,018)
Realised gain on sale of financial assets at FVPL	-	41,039
	<b>(55,857)</b>	26,021

**5 LOSS PER SHARE (EPS)**

Basic EPS amounts are calculated by dividing the loss 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 loss 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 31 March</i>	
	<b>2023</b>	<b>2022</b>
Loss for the period attributable to equity holders of the Parent Company (KD)	<b>(51,773)</b>	(26,100)
Weighted average number of ordinary shares outstanding during the period (shares)*	<b>207,023,554</b>	207,023,554
<b>Basic and diluted EPS (fils)</b>	<b>(0.250)</b>	(0.126)

\* 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 would require the restatement of EPS.

**6 OTHER ASSETS**

	<i>(Audited)</i>		
	<b>31 March 2023</b>	<b>31 December 2022</b>	<b>31 March 2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Tenant receivables	<b>17,284</b>	-	56,885
Receivables from sale of investment properties	-	-	6,381,900
Prepaid expenses	<b>389,292</b>	361,685	377,224
Advances paid to acquire equity shares in a subsidiary	-	-	244,853
Receivable from sale of an associate	-	-	23,561
Staff receivables	<b>17,513</b>	15,843	12,434
Other receivables	<b>48,893</b>	101,638	109,333
	<b>472,982</b>	479,166	7,206,190

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

7 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	
	<i>2023</i>	<i>2022</i>	
	<i>KD</i>	<i>KD</i>	
	<i>31 March</i>	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>	
	<i>KD</i>	<i>KD</i>	
<b>As at the beginning of the period/ year</b>	<b>26,169,889</b>	19,375,377	19,375,377
Additions	-	110,000	-
Reinstated properties upon revocation of sale contract	-	6,381,900	-
Capital expenditure on owned property	-	55,452	-
Change in fair value	-	178,648	-
Exchange differences	<b>1,918</b>	68,512	10,741
	<hr/>	<hr/>	<hr/>
<b>As at the end of the period/ year</b>	<b>26,171,807</b>	26,169,889	19,386,118
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

- a) Included within investment properties an income generating developed property in the State of Kuwait with a carrying value of KD 1,603,000 (31 December 2022: KD 1,603,000 and 31 March 2022: KD 1,700,000) which is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 1,054,943 as at 31 March 2023 (31 December 2022: KD 1,044,099 and 31 March 2022: KD 1,050,880) included under other liabilities in the interim condensed consolidated statement of financial position. The property is registered in the name of a related party (shareholder of the Ultimate Parent Company) who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group (Note 11).
- b) In addition to the aforementioned income generating property, certain investment property with a carrying value of KD 2,351,944 (31 December 2022: KD 2,350,026 and 31 March 2022: KD 2,331,612) is registered in the name of the shareholder of the Ultimate Parent Company who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group.

Geographic concentration of the underlying investment properties is, as follows:

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	
	<i>2023</i>	<i>2022</i>	
	<i>KD</i>	<i>KD</i>	
	<i>31 March</i>	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>	
	<i>KD</i>	<i>KD</i>	
State of Kuwait	<b>19,914,000</b>	19,914,000	13,298,000
Other countries	<b>6,257,807</b>	6,255,889	6,088,118
	<hr/>	<hr/>	<hr/>
	<b>26,171,807</b>	26,169,889	19,386,118
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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.

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

**8 TREASURY SHARES**

	<b>31 March 2023</b>	<i>(Audited)</i> 31 December 2022	31 March 2022
Number of treasury shares	<b>6,845,096</b>	6,845,096	6,845,096
Percentage of issued share capital	<b>3.20%</b>	3.20%	3.20%
Cost – KD	<b>4,573,296</b>	4,573,296	4,573,296
Market value – KD	<b>739,270</b>	780,341	739,270

Reserves equivalent to the cost of the treasury shares held less treasury shares reserve are not available for distribution during the holding period of such shares as per CMA guidelines.

**9 COMMITMENTS AND CONTINGENCIES**

**9.1 Capital commitments**

As at 31 March 2023, the Group had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of investment property under development of KD Nil (31 December 2022: KD Nil and 31 March 2022: KD 1,021,812). There are no contractual commitments in respect of completed investment property.

**9.2 Contingent liabilities**

The Group had no material contingent liabilities as at 31 March 2023, 31 December 2022 and 31 March 2022.

**10 FIDUCIARY ASSETS**

The Group manages client asset in a fiduciary capacity. The client assets have no recourse to the general assets of the Group and the Group has no recourse to the assets under management. Accordingly, assets under management are not included in the interim condensed consolidated financial information, as they are not assets of the Group. As at 31 March 2023, assets under management amounted to KD 2,498,054 (31 December 2022: KD 2,698,000 and 31 March 2022: KD 2,681,000).

**11 RELATED PARTY DISCLOSURES**

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, 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 significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount 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>Other related party</i> <b>KD</b>	<b>31 March 2023</b> <b>KD</b>	<i>(Audited)</i> 31 December 2022 <b>KD</b>	31 March 2022 <b>KD</b>
<b>Statement of financial position</b>				
Other liabilities	<b>1,054,943</b>	<b>1,054,943</b>	1,408,402	1,398,548

Other related party represents an amount of KD 1,054,943 due to a major shareholder of the Ultimate Parent Company (31 December 2022: KD 1,044,099 and 31 March 2022: KD 1,050,880), bearing an interest rate of 4.3% (31 March 2022: 3.8%). The amount represents financing the purchase of an investment property. The amount is repayable on maturity on 30 June 2023 and is therefore classified as a current liability. The Group incurred finance costs amounting to KD 10,845 for the three months ended 31 March 2023 (31 March 2022: KD 9,584).

Details of other related party disclosures are provided in Note 7.

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

**11 RELATED PARTY DISCLOSURES (continued)**

**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 related to key management personnel 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	<b>25,805</b>	25,805	<b>79,369</b>	74,372	64,011
Employees end of service benefits	<b>1,913</b>	1,913	<b>82,981</b>	80,168	60,846
	<b>27,718</b>	27,718	<b>162,350</b>	154,540	124,857

**12 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:** investment in subsidiaries, associates and equity securities.
- ▶ **Corporate finance:** The Group previous operations included providing finance to companies by using the different Islamic financing instruments, i.e. Murabaha, Wakala, future sales and other contracts.
- ▶ **Other unallocated items:** revenues and expenses that are not included under the above segments

	<i>31 March 2023</i>				
	<i>Real estate</i>	<i>Investment</i>	<i>Corporate</i>	<i>Other</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>finance</i>	<i>unallocated</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>items</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Assets	<b>26,536,674</b>	<b>842,867</b>	-	<b>460,445</b>	<b>27,839,986</b>
Liabilities	<b>1,107,943</b>	<b>338</b>	<b>366,035</b>	<b>2,840,238</b>	<b>4,314,555</b>
Net income	<b>139,320</b>	<b>(55,857)</b>	-	<b>35,166</b>	<b>118,629</b>
Segment profit (loss)	<b>139,320</b>	<b>(55,857)</b>	-	<b>(135,088)</b>	<b>(51,625)</b>
	<i>31 March 2022</i>				
	<i>Real estate</i>	<i>Investment</i>	<i>Corporate</i>	<i>Other</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>finance</i>	<i>unallocated</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>items</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Assets	26,136,532	1,328,204	33,603	352,022	27,850,361
Liabilities	1,053,880	338	347,667	2,699,792	4,101,677
Income	108,916	26,021	-	6,131	141,068
Segment profit (loss)	108,916	26,021	-	(154,822)	(19,885)

Al Madar Investment Company K.S.C.P. and its Subsidiaries (Formerly Al Madar Finance and Investment Company K.S.C.P.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

**12 SEGMENT INFORMATION (continued)**

	31 December 2022 (Audited)				Total KD
	Real estate KD	Investment KD	Corporate finance KD	Other unallocated items KD	
Assets	26,169,889	891,594	-	797,418	27,858,901
Liabilities	1,099,724	338	364,303	2,817,661	4,282,026

**13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

***Fair value hierarchy***

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- ▶ 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.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2023.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

**Valuation methods and assumptions**

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

***Listed investment in equity securities***

As at 31 March 2023, financial assets at fair value through profit or loss with a carrying value of KD 835,737 (31 December 2022: KD 891,594 and 31 March 2022: KD 1,012,935) are classified under Level 1 of the fair value hierarchy.

***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 these instruments are of short-term maturities or repriced immediately based on market movements in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

#### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

The MENA practice of EY has been operating in the region since 1923. For more than 90 years, we have grown to more than 6,000 people united across 20 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2017 EYGM Limited.

All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

[ey.com/mena](http://ey.com/mena)