

**AL MADAR KUWAIT HOLDING COMPANY
(FORMERLY AL MADAR INVESTMENT
COMPANY K.S.C.P.) AND ITS 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 AL MADAR KUWAIT HOLDING COMPANY K.S.C.P (FORMERLY AL MADAR INVESTMENT COMPANY K.S.C.P.)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Madar Kuwait Holding Company K.S.C.P. (Formerly, Al Madar Investment 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 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

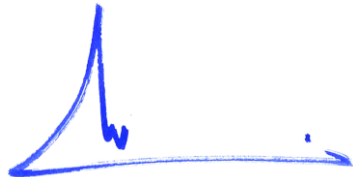
We draw attention to Note 6 in the interim condensed consolidated financial information which states that the Group is the ultimate beneficiary of certain investment properties with a carrying value of KD 3,933,465 (31 December 2023: KD 3,928,478 and 31 March 2023: KD 3,954,944) registered in the name 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 KUWAIT HOLDING COMPANY K.S.C.P (FORMERLY 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 months 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 the establishment of Capital Markets Authority ("CMA") and organisation of security activity and its related 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.



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

15 May 2024
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2024	2023
		KD	KD
INCOME			
Net real estate income	3	135,611	139,320
Changes in fair value of financial assets at FVTPL		110,544	(55,857)
Reversal of provision for expected credit losses		428	11,075
Other income		-	24,091
		246,583	118,629
EXPENSES AND OTHER CHARGES			
Administrative expenses		(130,516)	(159,409)
Finance costs	10	(14,900)	(10,845)
		(145,416)	(170,254)
PROFIT (LOSS) BEFORE TAX			
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		101,167	(51,625)
		(910)	-
PROFIT (LOSS) FOR THE PERIOD			
		100,257	(51,625)
Attributable to:			
Equity holders of the Parent Company		85,622	(51,773)
Non-controlling interests		14,635	148
		100,257	(51,625)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY			
	4	0.414 Fils	(0.250) Fils

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

Al Madar Kuwait Holding Company K.S.C.P. (Formerly Al Madar Investment Company K.S.C.P.) and its 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>	
	2024	2023
	KD	KD
PROFIT (LOSS) FOR THE PERIOD	100,257	(51,625)
Other comprehensive income:		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	473	181
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	100,730	(51,444)
Attributable to:		
Equity holders of the Parent Company	85,977	(51,637)
Non-controlling interests	14,753	193
	100,730	(51,444)

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

		<i>(Audited)</i>	
	<i>Notes</i>	<i>31 March 2024 KD</i>	<i>31 December 2023 KD</i>
		<i>31 March 2023 KD</i>	
ASSETS			
Bank balances and cash		258,526	329,402
Financial assets at fair value through profit or loss	12	862,933	752,389
Other assets	5	470,400	419,934
Investment properties	6	23,263,532	23,258,544
		<u>24,855,391</u>	<u>24,760,269</u>
Investment property held for sale	6	2,978,000	2,978,000
		<u>27,833,391</u>	<u>27,738,269</u>
TOTAL ASSETS		<u><u>27,833,391</u></u>	<u><u>27,738,269</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		21,386,865	21,386,865
Statutory reserve		152,426	152,426
Share premium		4,990,296	4,990,296
Treasury shares	7	(4,609,290)	(4,609,290)
Other reserve		(122,147)	(122,147)
Foreign currency translation reserve		129,458	129,103
Retained earnings		177,194	35,260
		<u>22,104,802</u>	<u>22,018,825</u>
Equity attributable to equity holders of the Parent Company		<u>22,104,802</u>	<u>22,018,825</u>
Non-controlling interests		1,572,432	1,557,679
		<u>23,677,234</u>	<u>23,576,504</u>
Total equity		<u><u>23,677,234</u></u>	<u><u>23,576,504</u></u>
Liabilities			
Employees' end of service benefits		305,582	333,187
Other liabilities		3,850,575	3,828,578
		<u>4,156,157</u>	<u>4,161,765</u>
Total liabilities		<u><u>4,156,157</u></u>	<u><u>4,161,765</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>27,833,391</u></u>	<u><u>27,738,269</u></u>

Hamad Saleh Hamad Al-Thekair
Vice Chairman

Al Madar Kuwait Holding Company K.S.C.P. (Formerly Al Madar Investment Company K.S.C.P.) and its 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>Share premium KD</i>	<i>Treasury shares KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve 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 (audited)	21,386,865	152,426	4,990,296	(4,609,290)	(122,147)	129,103	91,572	22,018,825	1,557,679	23,576,504
Profit for the period	-	-	-	-	-	-	85,622	85,622	14,635	100,257
Other comprehensive income	-	-	-	-	-	355	-	355	118	473
Total comprehensive income for the period	-	-	-	-	-	355	85,622	85,977	14,753	100,730
At 31 March 2024	21,386,865	152,426	4,990,296	(4,609,290)	(122,147)	129,458	177,194	22,104,802	1,572,432	23,677,234
As at 1 January 2023 (audited)	21,386,865	148,859	4,990,296	(4,573,296)	(122,147)	128,858	87,033	22,046,468	1,530,407	23,576,875
(Loss) profit for the period	-	-	-	-	-	-	(51,773)	(51,773)	148	(51,625)
Other comprehensive income	-	-	-	-	-	136	-	136	45	181
Total comprehensive income (loss) for the period	-	-	-	-	-	136	(51,773)	(51,637)	193	(51,444)
At 31 March 2023	21,386,865	148,859	4,990,296	(4,573,296)	(122,147)	128,994	35,260	21,994,831	1,530,600	23,525,431

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

Al Madar Kuwait Holding Company K.S.C.P (Formerly Al Madar Investment Company K.S.C.P.) and its 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 (loss) before tax		101,167	(51,625)
<i>Adjustments to reconcile profit (loss) for the period to net cash flows:</i>			
Change in fair value of financial assets at FVPL	4	(110,544)	55,857
Reversal of expected credit losses		(428)	(11,075)
Provision for employees' end of service benefits		4,203	16,341
Finance costs	11	14,900	10,845
		9,298	20,343
<i>Changes in operating assets and liabilities:</i>			
Other assets		(50,038)	17,259
Other liabilities		6,187	9,243
Cash flow (used in) from operations		(34,553)	46,845
Employees' end of service benefits paid		(31,808)	(3,900)
Net cash flows (used in) from operating activities		(66,361)	42,945
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH			
Net foreign exchange differences		(4,515)	(1,737)
Bank balances and cash at 1 January		329,402	318,252
BANK BALANCES AND CASH AT 31 MARCH		258,526	359,460

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

Al Madar Kuwait Holding Company K.S.C.P. (Formerly Al Madar Investment Company K.S.C.P.) and its 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 Al Madar Kuwait Holding Company K.S.C.P. (Formerly, Al Madar Investment 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 15 May 2024.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2023 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 2023. The interim condensed consolidated financial information for the three months ended 31 March 2024 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 Boursa Kuwait.

Pursuant to the extraordinary general assembly meeting held on 14 March 2024, the shareholders approved the amendments to the Parent Company’s principal activities to be in accordance with holding companies’ permitted activities and changed its legal name to Al Madar Kuwait Holding Company K.S.C.P. The aforementioned changes were authenticated in the commercial register on 15 April 2024. Further, pursuant to Capital Markets Authority (CMA) Resolution No. (54) of 2024 issued on 29 April 2024, the Parent Company was deregistered as a Licensed Person by CMA effective from that date and is obliged to safekeep the clients’ funds and assets in custody until such obligations are discharged.

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 11. All activities are conducted in accordance with Islamic Shari’a principles, as approved by the Parent Company’s Fatwa and Shari’a board appointed by the Parent Company.

The Parent Company is a subsidiary of Al Thekair General Trading and Contracting Company W.L.L. (the “Ultimate Parent Company”), a limited liability company incorporated and domiciled in the State of Kuwait.

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 2024	31 December 2023 (Audited)	31 March 2023
Dar Al-Thuraya Real Estate Company K.S.C.P. (“Dar Al-Thuraya”)	Real estate	Kuwait	91.46%	91.46%	91.46%
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%
<i>Indirectly held through Dar Al-Thuraya</i>					
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	100%	99%	99%
Golden Madar Real Estate Company W.L.L.	Real estate	Kuwait	100%	100%	100%
<i>Indirectly held through Al Madar Real Estate</i>					
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 2024

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 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 2023.

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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
	KD	KD
Rental income from investment properties	160,622	157,413
Real estate related expenses	(25,011)	(18,093)
	135,611	139,320

4 EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing the earnings (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 earnings (loss) per share is calculated by dividing the earnings (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 earnings (loss) per share are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
Profit (loss) for the period attributable to equity holders of the Parent Company (KD)	85,622	(51,773)
Weighted average number of ordinary shares outstanding during the period (shares)*	207,023,554	207,023,554
Basic and diluted EPS (fils)	0.414	(0.250)

* 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.

5 OTHER ASSETS

	<i>(Audited)</i>		
	31 March	31 December	31 March
	2024	2023	2023
	KD	KD	KD
Tenant receivables	43,257	43,257	17,284
Prepaid expenses	58,892	44,037	73,603
Advances paid to purchase investment properties	315,689	315,689	315,689
Staff receivables	16,836	18,195	17,513
Other receivables	35,726	19,506	48,893
	470,400	419,934	472,982

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

6 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period/ year	26,236,544	26,169,889	26,169,889
Change in fair value	-	58,000	-
Reclassified to investment properties held for sale	(2,978,000)	(2,978,000)	(2,895,000)
Exchange differences	4,988	8,655	1,918
	23,263,532	23,258,544	23,276,807
Investment property held for sale	2,978,000	2,978,000	2,895,000
As at the end of the period/ year	26,241,532	26,236,544	26,171,807

- a) Included within investment properties an income generating developed property in the State of Kuwait with a carrying value of KD 1,575,000 (31 December 2023: KD 1,575,000 and 31 March 2023: KD 1,603,000) which is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 996,246 as at 31 March 2024 (31 December 2023: KD 981,346 and 31 March 2023: KD 1,054,943) 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 10).
- b) In addition to the aforementioned income generating property, certain investment property with a carrying value of KD 2,358,465 (31 December 2023: KD 2,353,478 and 31 March 2023: KD 2,351,944) 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.
- c) During 2022, the Group entered into a preliminary contract (the “Contract”) to sell an investment property in the State of Kuwait and received an advance of KD 50,000 included within other liabilities in the interim condensed consolidated statement of financial position. The Contract specifies the terms of sale and the contractual obligations of each party. The Contract requires the buyer to pay the full amount before the transfer of ownership, therefore, substantially eliminating the Group’s credit risk in this respect. The criterion of being available for immediate sale is therefore met at the plan’s commitment date, and accordingly, the investment property was consequently presented as held for sale in the consolidated financial statements as of that date and is reported in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The legal proceedings to complete the sale are still in progress as at the authorisation date of this interim condensed consolidated financial information.

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

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
State of Kuwait	19,972,000	19,972,000	19,914,000
Other countries	6,269,532	6,264,544	6,257,807
	26,241,532	26,236,544	26,171,807

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

6 INVESTMENT PROPERTIES (continued)

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 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.

7 TREASURY SHARES

	31 March 2024	<i>(Audited)</i> 31 December 2023	31 March 2023
Number of treasury shares	7,286,736	7,286,736	6,845,096
Percentage of issued share capital	3.41%	3.41%	3.20%
Cost – KD	4,609,290	4,609,290	4,573,296
Market value – KD	666,736	582,939	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.

8 COMMITMENTS AND CONTINGENCIES

8.1 Legal claim contingencies

The Group operates in the real estate industry and is subject to legal disputes with tenants in the normal course of business. Management does not believe that such proceedings will have a material effect on its results and financial position.

8.2 Other commitments and contingent liabilities

The Group had no capital commitments or contingent liabilities as at 31 March 2024, 31 December 2023 and 31 March 2023.

9 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 2024, assets under management amounted to KD 2,517,000 (31 December 2023: KD 2,517,000 and 31 March 2023: KD 2,498,054).

10 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 2024 and 2023, as well as balances with related parties as at 31 March 2024, 31 December 2023 and 31 March 2023:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

10 RELATED PARTY DISCLOSURES (continued)

	<i>Other related party</i>	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Statement of financial position</i>				
Other liabilities	1,368,173	1,368,173	1,348,768	1,054,943

Other related party includes an amount of KD 996,246 due to a major shareholder of the Ultimate Parent Company (31 December 2023: KD 981,346 and 31 March 2023: KD 1,054,943), bearing an interest rate of 4.3% (31 March 2023: 4.3%). The amount represents financing the purchase of an investment property. The amount is repayable on maturity on 30 June 2024 and is therefore classified as a current liability. The Group has paid an amount of KD 71,400 of the principal of the loan payable. Additionally paid an amount of KD 43,860 of accrued finance cost during the current period ended 31 March 2024. The Group had incurred finance costs amounting to KD 14,900 for the three months ended 31 March 2024 (31 March 2023: KD 10,845).

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 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</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
				<i>(Audited)</i>	
Salaries and other short-term benefits	10,503	25,805	31,623	67,524	79,369
Employees end of service benefits	1,190	1,913	19,497	62,317	82,981
	11,693	27,718	51,120	129,841	162,350

11 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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

11 SEGMENT INFORMATION (continued)

	31 March 2024				
	Real estate KD	Investment KD	Corporate finance KD	Other unallocated items KD	Total KD
Assets	26,634,703	862,933	-	335,755	27,833,391
Liabilities	1,049,245	-	371,927	2,734,985	4,156,157
Income	135,611	110,544	-	428	246,583
Segment results	135,610	110,543	-	(145,896)	100,257
	31 March 2023				
	Real estate KD	Investment KD	Corporate finance KD	Other KD	Total KD
Assets	26,536,674	835,737	-	467,575	27,839,986
Liabilities	1,107,943	338	366,035	2,840,239	4,314,555
Income (loss)	139,320	(55,857)	-	35,166	118,629
Segment results	139,320	(55,857)	-	(135,088)	(51,625)
	31 December 2023 (Audited)				
	Real estate KD	Investment KD	Corporate finance KD	Other unallocated items KD	Total KD
Assets	26,236,544	752,389	-	749,336	27,738,269
Liabilities	1,034,348	-	367,422	2,759,995	4,161,765

12 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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 2024.

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 2024, financial assets at fair value through profit or loss with a carrying value of KD 862,933 (31 December 2023: KD 752,389 and 31 March 2023: KD 835,737) 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.

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