

**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)**



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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR INVESTMENT COMPANY K.S.C.P. (FORMERLY AL MADAR FINANCE AND 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.) (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2022, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods 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 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 4,084,551 (31 December 2021: KD 5,720,871 and 30 September 2021: KD 2,309,746) registered in the name of the Ultimate Parent Company 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. (FORMERLY AL MADAR FINANCE AND 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 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.



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

14 November 2022  
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 30 September 2022

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022 KD	2021 KD	2022 KD	2021 KD
<b>INCOME</b>					
Net real estate income	3	122,175	38,525	366,306	149,014
Net gain (loss) from investment securities	4	16,298	(17,232)	49,092	(872)
Foreign currency translation loss recycled to profit or loss upon derecognition of an associate		-	-	-	(199,223)
Advisory and management fees		-	246	-	1,215
(Allowance for) reversal of expected credit losses		(33,603)	18,543	(28,518)	38,593
Other income		1,351	-	3,653	-
		<u>106,221</u>	<u>40,082</u>	<u>390,533</u>	<u>(11,273)</u>
<b>EXPENSES</b>					
Administrative expenses		(138,506)	(149,465)	(457,758)	(516,615)
Finance costs		(11,086)	-	(30,477)	-
		<u>(149,592)</u>	<u>(149,465)</u>	<u>(488,235)</u>	<u>(516,615)</u>
<b>LOSS FOR THE PERIOD</b>		<u>(43,371)</u>	<u>(109,383)</u>	<u>(97,702)</u>	<u>(527,888)</u>
<b>Attributable to:</b>					
Equity holders of the Parent Company		(51,633)	(107,700)	(119,139)	(528,398)
Non-controlling interests		8,262	(1,683)	21,437	510
<b>LOSS FOR THE PERIOD</b>		<u>(43,371)</u>	<u>(109,383)</u>	<u>(97,702)</u>	<u>(527,888)</u>
<b>BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>					
	5	<u>(0.25) Fils</u>	<u>(0.52) Fils</u>	<u>(0.58) Fils</u>	<u>(2.55) 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 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>
<b>LOSS FOR THE PERIOD</b>	<b>(43,371)</b>	(109,383)	<b>(97,702)</b>	(527,888)
<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>2,982</b>	-	<b>6,038</b>	(1,200)
Foreign currency translation loss recycled to profit or loss upon derecognition of an associate	-	-	-	199,223
<b>Other comprehensive income for the period</b>	<b>2,982</b>	-	<b>6,038</b>	198,023
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(40,389)</b>	(109,383)	<b>(91,664)</b>	(329,865)
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>(48,651)</b>	(107,700)	<b>(114,610)</b>	(330,375)
Non-controlling interests	<b>8,262</b>	(1,683)	<b>22,946</b>	510
	<b>(40,389)</b>	(109,383)	<b>(91,664)</b>	(329,865)

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 30 September 2022

	Notes	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
<b>ASSETS</b>				
Bank balances and cash		179,452	872,620	192,501
Financial assets at fair value through profit or loss	13	935,733	531,438	454,882
Other assets	6	7,101,937	7,192,010	8,593,859
Investment properties	7	19,604,509	19,375,377	17,259,452
Furniture and equipment		3,479	3,998	4,471
<b>TOTAL ASSETS</b>		<b>27,825,110</b>	<b>27,975,443</b>	<b>26,505,165</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		21,386,865	21,386,865	21,386,865
Statutory reserve		143,613	143,613	134,383
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		131,313	126,784	125,993
(Accumulated losses) retained earnings		(59,513)	59,626	(463,498)
<b>Equity attributable to equity holders of the Parent Company</b>		<b>21,897,131</b>	<b>22,011,741</b>	<b>21,478,596</b>
Non-controlling interests		1,779,010	1,756,064	1,827,165
<b>Total equity</b>		<b>23,676,141</b>	<b>23,767,805</b>	<b>23,305,761</b>
<b>Liabilities</b>				
Employees' end of service benefits		354,187	350,194	355,919
Other liabilities		3,794,782	3,857,444	2,843,485
<b>Total liabilities</b>		<b>4,148,969</b>	<b>4,207,638</b>	<b>3,199,404</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,825,110</b>	<b>27,975,443</b>	<b>26,505,165</b>

**Waleed Abdulraheem Al-Asfour**  
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 30 September 2022

	<i>Attributable to equity holders of the Parent Company</i>							<i>Sub-total</i> KD	<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Share premium</i> KD	<i>Treasury shares</i> KD	<i>Other reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>(Accumulated losses)/ retained earnings</i> KD			
<b>As at 1 January 2022 (audited)</b>	<b>21,386,865</b>	<b>143,613</b>	<b>4,990,296</b>	<b>(4,573,296)</b>	<b>(122,147)</b>	<b>126,784</b>	<b>59,626</b>	<b>22,011,741</b>	<b>1,756,064</b>	<b>23,767,805</b>
(Loss) profit for the period	-	-	-	-	-	-	(119,139)	(119,139)	21,437	(97,702)
Other comprehensive income for the period	-	-	-	-	-	4,529	-	4,529	1,509	6,038
Total comprehensive income (loss) for the period	-	-	-	-	-	4,529	(119,139)	(114,610)	22,946	(91,664)
<b>At 30 September 2022</b>	<b>21,386,865</b>	<b>143,613</b>	<b>4,990,296</b>	<b>(4,573,296)</b>	<b>(122,147)</b>	<b>131,313</b>	<b>(59,513)</b>	<b>21,897,131</b>	<b>1,779,010</b>	<b>23,676,141</b>
As at 1 January 2021 (audited)	21,386,865	134,383	4,990,296	(4,573,296)	(122,147)	(72,030)	46,303	21,790,374	1,845,252	23,635,626
(Loss) profit for the period	-	-	-	-	-	-	(528,398)	(528,398)	510	(527,888)
Other comprehensive income for the period	-	-	-	-	-	198,023	-	198,023	-	198,023
Total comprehensive income (loss) for the period	-	-	-	-	-	198,023	(528,398)	(330,375)	510	(329,865)
Change in ownership interests in subsidiaries	-	-	-	-	-	-	18,597	18,597	(18,597)	-
At 30 September 2021	21,386,865	134,383	4,990,296	(4,573,296)	(122,147)	125,993	(463,498)	21,478,596	1,827,165	23,305,761

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 30 September 2022

	Notes	Nine months ended 30 September	
		2022 KD	2021 KD
<b>OPERATING ACTIVITIES</b>			
Loss for the period		(97,702)	(527,888)
<i>Adjustments to reconcile loss for the period to net cash flows:</i>			
Depreciation of furniture and equipment		519	2,098
Fair value loss (gain) on financial assets at FVPL		100,703	(51,090)
Realised (gain) loss on sale of financial assets at FVPL	4	(134,795)	56,962
Dividend income	4	(15,000)	(5,000)
Foreign currency translation loss recycled to profit or loss upon derecognition of an associate		-	199,223
(Allowance for) reversal of expected credit losses		28,518	(38,593)
Provision for employees' end of service benefits		20,001	28,160
Recovery of amounts previously written off		3,314	-
Finance costs		30,477	-
		(63,965)	(336,128)
<i>Changes in operating assets and liabilities:</i>			
Financial assets at FVPL		(370,203)	748,337
Other assets		34,680	(315,960)
Other liabilities		(62,662)	116,967
Cash flow (used in) from operations		(462,150)	213,216
Employees' end of service benefits paid		(16,008)	(64,097)
<b>Net cash flows (used in) from operating activities</b>		<b>(478,158)</b>	<b>149,119</b>
<b>INVESTING ACTIVITIES</b>			
Dividend income received		15,000	5,000
Proceeds from sale of investment in an associate	7	23,561	436,816
Additions to investment properties		(165,452)	(1,073,887)
Proceeds from sale of FVOCI		-	20,194
<b>Net cash flows used in investing activities</b>		<b>(126,891)</b>	<b>(611,877)</b>
<b>FINANCING ACTIVITIES</b>			
Finance costs paid		(38,760)	-
<b>Net cash flows used in financing activities</b>		<b>(38,760)</b>	<b>-</b>
<b>NET DECREASE IN BANK BALANCES AND CASH</b>		<b>(643,809)</b>	<b>(462,758)</b>
Net foreign exchange differences		(49,359)	15,679
Bank balances and cash as at 1 January		872,620	639,580
<b>BANK BALANCES AND CASH AT 30 SEPTEMBER</b>		<b>179,452</b>	<b>192,501</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.)

## 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 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 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 14 November 2022.

The consolidated financial statements of the Group for the year ended 31 December 2021 were approved in the annual general assembly meeting (AGM) of the shareholders held on 29 May 2022. No dividends have been declared by the Parent Company.

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 company.

Pursuant to the extraordinary general assembly meeting held on 18 July 2022, 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 2022.

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 consolidated financial statements of the Group include:

Name of subsidiary	Principal activities	Country of incorporation	% equity interest		
			30 September 2022	31 December 2021 (Audited)	30 September 2021
Dar Al-Thuraya Real Estate Company K.S.C.P. ("Dar Al-Thuraya")	Real estate	Kuwait	89.91%	89.91%	88.91%
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 30 September 2022

**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 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 statements do 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 2021.

**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 statements.

**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 statements of the Group as there were no onerous contracts outstanding within the scope of these amendments arisen during the period.

**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.

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)**

**Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)**

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.

**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.

**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.

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.

**IAS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

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 30 September 2022

**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	<b>157,686</b>	74,688	<b>439,906</b>	266,753
Real estate related expenses	<b>(35,511)</b>	(36,163)	<b>(73,600)</b>	(117,739)
	<b>122,175</b>	38,525	<b>366,306</b>	149,014

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

	<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>
Fair value gain (loss) on financial assets at FVPL	<b>19,138</b>	(20,333)	<b>(100,703)</b>	51,090
Realised (loss) gain on sale of financial assets at FVPL	<b>(2,840)</b>	3,101	<b>134,795</b>	(56,962)
Dividend income	-	-	<b>15,000</b>	5,000
	<b>16,298</b>	(17,232)	<b>49,092</b>	(872)

**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</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>
Loss for the period attributable to equity holders of the Parent Company (KD)	<b>(51,633)</b>	(107,700)	<b>(119,139)</b>	(528,398)
Weighted average number of ordinary shares outstanding during the period (shares)*	<b>207,023,554</b>	207,023,554	<b>207,023,554</b>	207,023,554
<b>Basic and diluted EPS (fils)</b>	<b>(0.25)</b>	(0.52)	<b>(0.58)</b>	(2.55)

\* 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.

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

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**6 OTHER ASSETS**

	<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>
Trade receivables	<b>8,004</b>	35,592	33,603
Receivables from sale of investment properties	<b>6,381,900</b>	6,381,900	6,381,900
Prepaid expenses	<b>377,538</b>	357,972	57,035
Advances paid to purchase investment properties	-	-	1,628,689
Advances paid to acquire equity shares in a subsidiary	<b>244,853</b>	244,853	403,223
Receivable from sale of an associate	-	23,561	23,561
Amounts due from a related party	-	-	192
Staff receivables	<b>16,505</b>	11,899	11,920
Other receivables	<b>73,137</b>	136,233	53,736
	<b>7,101,937</b>	7,192,010	8,593,859

Receivables from sale of investment properties of KD 6,381,900 mainly comprise of amounts due from an unrelated third party related to the purchase agreement entered into with the Group on 28 December 2020. Subsequent to the current interim reporting period, the third party issued a written notice of intent to withdraw from the purchase agreement.

**7 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>
<b>As at the beginning of the period/ year</b>	<b>19,375,377</b>	15,792,444	15,792,444
Additions	<b>110,000</b>	4,384,000	1,059,999
Capital expenditure on owned property	<b>55,452</b>	515,196	423,888
Disposals	-	(1,624,000)	-
Change in fair value	-	322,804	-
Exchange differences	<b>63,680</b>	(15,067)	(16,879)
<b>As at the end of the period/ year</b>	<b>19,604,509</b>	19,375,377	17,259,452

Included within investment properties, the following:

- a) An income generating developed property in the State of Kuwait with a carrying value of KD 1,700,000 (31 December 2021: KD 1,700,000 and 30 September 2021: KD Nil) that is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 1,033,013 as at 30 September 2022 (31 December 2021: KD 1,041,297 and 30 September 2021: KD Nil) included under other liabilities in the interim condensed consolidated statement of financial position. There is a letter of renunciation in favour of the Group confirming that it is the ultimate beneficiary of this property (Note 11).
- b) In addition to the aforementioned income generating property of KD 1,700,000, certain investment property with a carrying value of KD 2,384,551 (31 December 2021: KD 4,020,871 and 30 September 2021: KD 2,309,746). The property is registered in the name of the related party 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).

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**7 INVESTMENT PROPERTIES (continued)**

The Group's investment property portfolio consists of the following:

	<i>30 September</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 September</i> <i>2021</i> <i>KD</i>
Properties under development	<b>13,483,153</b>	13,258,261	12,621,489
Developed properties	<b>6,121,356</b>	6,117,116	4,637,963
	<b><u>19,604,509</u></b>	<u>19,375,377</u>	<u>17,259,452</u>

Geographic concentration of the underlying investment properties as follows:

	<i>30 September</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 September</i> <i>2021</i> <i>KD</i>
State of Kuwait	<b>13,353,452</b>	13,298,000	11,183,887
Other countries	<b>6,251,057</b>	6,077,377	6,075,565
	<b><u>19,604,509</u></b>	<u>19,375,377</u>	<u>17,259,452</u>

**8 TREASURY SHARES**

	<i>30 September</i> <i>2022</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i>	<i>30 September</i> <i>2021</i>
Number of treasury shares	<b>6,845,096</b>	6,845,096	6,845,096
Percentage of issued share capital	<b>3.2%</b>	3.2%	3.2%
Cost – KD	<b>4,573,296</b>	4,573,296	4,573,296
Market value – KD	<b>686,563</b>	814,566	711,890

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**

**Capital commitments**

The Group has commitments in respect of future capital expenditure amounting to KD Nil (31 December 2021: KD 1,021,812 and 30 September 2021: KD 1,717,082) relating to purchase of investments properties and development of properties under development.

**Contingent liabilities**

The Group had no material contingent liabilities as at 30 September 2022, 31 December 2021 and 30 September 2021.

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**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 30 September 2022, assets under management amounted to KD 2,736,000 (31 December 2021: KD 2,931,000 and 30 September 2021: KD 3,394,039).

**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 provides the total amount of outstanding balances with related parties as at 30 September 2022, 31 December 2021 and 30 September 2021 and transactions for the periods/ year then ended:

	<i>(Audited)</i>			
	<i>Other related parties</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>Interim condensed consolidated statement of financial position</i>				
Other assets	-	-	-	158,563
Other liabilities *	<b>1,428,506</b>	<b>1,428,506</b>	1,379,261	327,913

\* Amounts due to related parties under other liabilities include an amount due to the shareholder of the Ultimate Parent Company of KD 1,033,013 as at 30 September 2022 (31 December 2021: KD 1,041,297 and 30 September 2021: KD Nil) which represents the financing obtained by the related party for the purchase of an investment property (Note 7). The Group bears the finance cost on a yearly basis and classifies the deferred interest as a current liability. The amount is denominated in KD, carries a fixed Islamic profit rate of 4.3% (30 September 2021: Nil%) and the Group has paid an amount of KD 38,760 of accrued finance costs during the current period ended 30 September 2022. The Group had incurred finance costs amounting to KD 30,477 (30 September 2021: KD Nil) for the period then ended.

**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 nine months ended</i>		<i>Balance outstanding as at</i>		
	<i>30 September 2022</i>	<i>30 September 2021</i>	<i>(Audited)</i>		
	<i>KD</i>	<i>KD</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	<b>77,559</b>	122,347	<b>71,581</b>	87,432	70,947
Employees end of service benefits	<b>5,847</b>	11,246	<b>64,361</b>	88,081	78,422
	<b>83,406</b>	133,593	<b>135,942</b>	175,513	149,369

On 29 May 2022, the shareholders of the Parent Company in the annual general assembly meeting resolved not to distribute board of directors' remuneration for the year ended 31 December 2021.

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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.
- ▶ **Others:** revenues and expenses that are not included under the above sectors

	<i>30 September 2022</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Corporate finance KD</i>	<i>Other KD</i>	<i>Total KD</i>
Assets	26,349,741	1,187,714	-	287,655	27,825,110
Liabilities	1,036,013	338	395,493	2,717,125	4,148,969
Net income	366,306	49,092	(33,603)	8,738	390,533
Segment results	366,306	49,092	-	(513,100)	(97,702)
Capital expenditure	51,212	-	-	-	51,212
	<i>30 September 2021</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Corporate finance KD</i>	<i>Other KD</i>	<i>Total KD</i>
Assets	25,272,455	881,666	33,795	317,249	26,505,165
Liabilities	3,000	170,782	327,913	2,697,709	3,199,404
Net income	149,014	(200,095)	-	39,808	(11,273)
Segment results	149,014	(200,095)	-	(476,807)	(527,888)
Capital expenditure	1,483,887	-	-	-	1,483,887
	<i>31 December 2021 (Audited)</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Corporate finance KD</i>	<i>Other KD</i>	<i>Total KD</i>
Assets	26,102,817	875,084	33,603	963,939	27,975,443
Liabilities	1,044,297	73,042	337,964	2,752,335	4,207,638



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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**13 FAIR VALUES OF FINANCIAL INSTRUMENTS**

*Fair value hierarchy*

All financial and non-financial assets 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 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.

**Valuation methods and assumptions**

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

*Listed investment in equity securities*

Fair values of publicly traded equity securities are based on quoted market prices in an active market for identical assets without any adjustments. The Group classifies the fair value of these investments as Level 1 of the hierarchy.

*Other financial assets and liabilities*

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates.