

**AL MADAR INVESTMENT COMPANY K.S.C.P.
AND ITS SUBSIDIARIES**

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

30 SEPTEMBER 2023





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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.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Madar Investment Company K.S.C.P. (the “Parent Company”) and subsidiaries (collectively, the “Group”) as at 30 September 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three months and nine months periods ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months 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

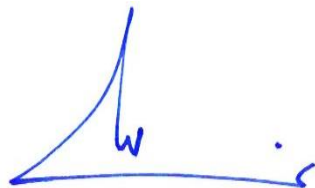
We draw attention to Note 7 in the interim condensed consolidated financial information which states that the Group is the ultimate beneficiary of certain investment properties with a carrying value of KD 3,973,742 (31 December 2022: KD 3,953,026 and 30 September 2022: KD 4,084,551) registered in the 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 nine months period ended 30 September 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 nine months period ended 30 September 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

13 November 2023
Kuwait

Al Madar Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 KD	2022 KD	2023 KD	2022 KD
INCOME					
Net real estate income	3	141,473	122,175	428,905	366,306
Net (loss) gain on investment securities	4	(52,972)	16,298	(10,938)	49,092
Reversal of (allowance for) provision for expected credit losses		245	(33,603)	11,320	(28,518)
Consulting fee income		5,225	-	18,000	-
Other income		2,785	1,351	27,104	3,653
		96,756	106,221	474,391	390,533
EXPENSES					
Administrative expenses		(121,498)	(138,506)	(439,365)	(457,758)
Finance costs	11	(15,063)	(11,086)	(37,444)	(30,477)
		(136,561)	(149,592)	(476,809)	(488,235)
LOSS BEFORE TAX		(39,805)	(43,371)	(2,418)	(97,702)
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		336	-	-	-
Zakat		443	-	(18)	-
LOSS FOR THE PERIOD		(39,026)	(43,371)	(2,436)	(97,702)
Attributable to:					
Equity holders of the Parent Company		(40,980)	(51,633)	(19,535)	(119,139)
Non-controlling interests		1,954	8,262	17,099	21,437
		(39,026)	(43,371)	(2,436)	(97,702)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY					
	5	(0.20) Fils	(0.25) Fils	(0.09) Fils	(0.58) Fils

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 September 2023

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
LOSS FOR THE PERIOD	(39,026)	(43,371)	(2,436)	(97,702)
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	1,418	2,982	1,967	6,038
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(37,608)	(40,389)	(469)	(91,664)
Attributable to:				
Equity holders of the Parent Company	(39,916)	(48,651)	(18,062)	(114,610)
Non-controlling interests	2,308	8,262	17,593	22,946
	(37,608)	(40,389)	(469)	(91,664)


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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2023

	Notes	30 September 2023 KD	(Audited) 31 December 2022 KD	30 September 2022 KD
ASSETS				
Bank balances and cash		360,852	318,252	179,452
Financial assets at fair value through profit or loss	13	788,795	891,594	935,733
Other assets	6	463,738	479,166	7,101,937
Investment properties	7	26,190,605	26,169,889	19,604,509
Furniture and equipment		-	-	3,479
TOTAL ASSETS		27,803,990	27,858,901	27,825,110
EQUITY AND LIABILITIES				
Equity				
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		130,331	128,858	131,313
Retained earnings/ (Accumulated losses)		67,498	87,033	(59,513)
Equity attributable to equity holders of the Parent Company		22,028,406	22,046,468	21,897,131
Non-controlling interests		1,548,000	1,530,407	1,779,010
Total equity		23,576,406	23,576,875	23,676,141
Liabilities				
Employees' end of service benefits		368,217	352,902	354,187
Other liabilities		3,859,367	3,929,124	3,794,782
Total liabilities		4,227,584	4,282,026	4,148,969
TOTAL EQUITY AND LIABILITIES		27,803,990	27,858,901	27,825,110


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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2023

	<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/ (Accumulated losses) KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
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	-	-	-	-	-	-	(19,535)	(19,535)	17,099	(2,436)
Other comprehensive income for the period	-	-	-	-	-	1,473	-	1,473	494	1,967
Total comprehensive income (loss) for the period	-	-	-	-	-	1,473	(19,535)	(18,062)	17,593	(469)
At 30 September 2023	21,386,865	148,859	4,990,296	(4,573,296)	(122,147)	130,331	67,498	22,028,406	1,548,000	23,576,406
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	-	-	-	-	-	-	(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)
At 30 September 2022	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	131,313	(59,513)	21,897,131	1,779,010	23,676,141

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 September 2023

	Notes	Nine months ended 30 September	
		2023 KD	2022 KD
OPERATING ACTIVITIES			
Loss before tax		(2,418)	(97,702)
<i>Adjustments to reconcile loss for the period to net cash flows:</i>			
Depreciation of furniture and equipment		-	519
Change in fair value of financial assets at FVPL	4	46,651	100,703
Realised gain on sale of financial assets at FVPL	4	(17,633)	(134,795)
Dividend income	4	(18,080)	(15,000)
(Reversal of) allowance for expected credit losses		(11,320)	28,518
Provision for employees' end of service benefits		29,215	20,001
Recovery of written off balances		-	3,314
Finance costs	11	37,444	30,477
		63,859	(63,965)
<i>Changes in operating assets and liabilities:</i>			
Financial assets at FVPL		73,781	(370,203)
Other assets		26,748	34,680
Other liabilities		32,689	(34,362)
Cash flow from (used in) operations		197,077	(433,850)
Employees' end of service benefits paid		(13,900)	(16,008)
KFAS, NLST and Zakat paid		(24,648)	(28,300)
Net cash flows from (used in) operating activities		158,529	(478,158)
INVESTING ACTIVITIES			
Dividend income received		18,080	15,000
Additions to investment properties		-	(165,452)
Proceeds from sale of investment in an associate		-	23,561
Net cash flows from (used in) investing activities		18,080	(126,891)
FINANCING ACTIVITIES			
Repayment of a portion of an interest-bearing amount due to a major shareholder	11	(71,400)	- -
Finance costs paid	11	(43,860)	(38,760)
Net cash flows used in financing activities		(115,260)	(38,760)
NET INCREASE (DECREASE) IN BANK BALANCES AND CASH		61,349	(643,809)
Net foreign exchange differences		(18,749)	(49,359)
Bank balances and cash at 1 January		318,252	872,620
BANK BALANCES AND CASH AT 30 SEPTEMBER		360,852	179,452

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Madar Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2023 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 13 November 2023.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved in the annual general assembly meeting (“AGM”) of the shareholders held on 29 May 2023. 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 Boursa Kuwait. The Parent Company is regulated by the Capital Markets Authority (“CMA”) as an investment Advisor and Investment Portfolio Manager.

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 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		
			30 September 2023	31 December 2022	30 September 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%
<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	99%	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 30 September 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 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>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Rental income arising from operating leases on investment properties	173,885	157,686	500,582	439,906
Property operating expenses	(32,412)	(35,511)	(71,677)	(73,600)
	141,473	122,175	428,905	366,306

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 30 September 2023

4 NET (LOSS) GAIN ON INVESTMENT SECURITIES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Fair value (loss) gain on financial assets at FVPL	(69,858)	19,138	(46,651)	(100,703)
Realised gain on sale of financial assets at FVPL	16,886	(2,840)	17,633	134,795
Dividend income	-	-	18,080	15,000
	(52,972)	16,298	(10,938)	49,092

5 LOSS PER SHARE

Basic loss per share 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 loss per share 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 losses per share are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Loss for the period attributable to equity holders of the Parent Company (KD)	(40,980)	(51,633)	(19,535)	(119,139)
Weighted average number of ordinary shares outstanding during the period (shares)*	207,023,554	207,023,554	207,023,554	207,023,554
Basic and diluted EPS (fils)	(0.20)	(0.25)	(0.09)	(0.58)

* 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>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Tenant receivables	27,615	-	8,004
Receivables from sale of investment properties	-	-	6,381,900
Prepaid expenses	61,686	45,996	-
Advances paid to purchase investment properties	315,689	315,689	377,538
Advances paid to acquire equity shares in a subsidiary	-	-	244,853
Staff receivables	19,963	15,843	16,505
Other receivables	38,785	101,638	73,137
	463,738	479,166	7,101,937

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 30 September 2023

7 INVESTMENT PROPERTIES

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
As at the beginning of the period/ year	26,169,889	19,375,377	19,375,377
Additions	-	110,000	110,000
Reinstated properties upon revocation of sale contract	-	6,381,900	-
Capital expenditure on owned property	-	55,452	55,452
Change in fair value	-	178,648	-
Exchange differences	20,716	68,512	63,680
As at the end of the period/ year	26,190,605	26,169,889	19,604,509

- 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 30 September 2022: KD 1,700,000) which is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 966,283 as at 30 September 2023 (31 December 2022: KD 1,044,099 and 30 September 2022: KD 1,033,013) 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 2,370,742 (31 December 2022: KD 2,350,026 and 30 September 2022: KD 2,384,551) 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 (Note 11).

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

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
State of Kuwait	19,914,000	19,914,000	13,353,452
Other countries	6,276,605	6,255,889	6,251,057
	26,190,605	26,169,889	19,604,509

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.

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 30 September 2023

8 TREASURY SHARES

	<i>30 September</i> <i>2023</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i>	<i>30 September</i> <i>2022</i>
Number of treasury shares	6,845,096	6,845,096	6,845,096
Percentage of issued share capital	3.20%	3.20%	3.2%
Cost – KD	4,573,296	4,573,296	4,573,296
Market value – KD	622,904	780,341	686,563

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

The Group had no contractual commitments in respect of completed investment property as at 30 September 2023, 31 December 2022 and 30 September 2022.

9.2 Contingent liabilities

The Group had no material contingent liabilities as at 30 September 2023, 31 December 2022 and 30 September 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 30 September 2023, assets under management amounted to KD 2,517,000 (31 December 2022: KD 2,698,000 and 30 September 2022: KD 2,736,000).

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 nine months ended 30 September 2023 and 2022, as well as balances with related parties as at 30 September 2023, 31 December 2022 and 30 September 2022:

	<i>Other related</i> <i>party</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
<i>Statement of financial position</i>				
Other liabilities	1,349,300	1,349,300	1,408,402	1,428,506

Other related party includes an amount of KD 966,283 due to a major shareholder of the Ultimate Parent Company (31 December 2022: KD 1,044,099 and 30 September 2022: KD 1,033,013), bearing an interest rate of 6.28% (30 September 2022: 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 30 September 2023. The Group had incurred finance costs amounting to KD 37,444 for the nine months ended 30 September 2023 (30 September 2022: KD 30,477).

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

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 30 September 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 nine months ended</i>		<i>Balance outstanding as at</i>		
	<i>30 September 2023</i>	<i>30 September 2022</i>	<i>30 September 2023</i>	<i>31 December 2022</i>	<i>30 September 2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	67,634	77,559	68,533	74,372	71,581
Employees end of service benefits	5,079	5,847	76,934	80,168	64,361
	72,713	83,406	145,467	154,540	135,942

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>30 September 2023</i>				
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Corporate finance KD</i>	<i>Other unallocated items KD</i>	<i>Total KD</i>
Assets	26,555,694	790,388	-	457,908	27,803,990
Liabilities	1,019,283	338	383,017	2,824,946	4,227,584
Income	428,905	(10,938)	-	56,424	474,391
Segment results	428,905	(10,938)	-	(420,385)	(2,418)

	<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
Income	366,306	49,092	(33,603)	8,738	390,533
Segment results	366,306	49,092	-	(513,100)	(97,702)

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 30 September 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 nine months ended 30 September 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 30 September 2023, financial assets at fair value through profit or loss with a carrying value of KD 788,795 (31 December 2022: KD 891,594 and 30 September 2022: KD 935,733) 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.