

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

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

30 SEPTEMBER 2024



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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company K.S.C.P. (the “Parent Company”) and subsidiaries (collectively, the “Group”) as at 30 September 2024, and the related interim condensed consolidated statement of profit or loss, and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine 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 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.

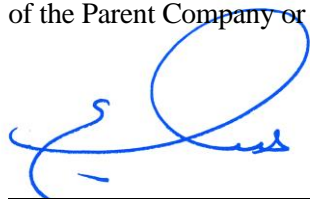
Conclusion

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.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Articles of Association and Memorandum of Incorporation, as amended, during the nine months period ended 30 September 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 establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations, as amended, during the nine months period ended 30 September 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM ALSAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

13 November 2024
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2024

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		2024	2023	2024	2023
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
INCOME					
Net real estate income	3	543,493	436,054	1,556,878	1,268,668
Profit from term deposits		7,493	40,000	51,727	90,528
Share of result of associates	6	(109,555)	55,042	(48,485)	111,843
Gain on sale of investment property	5	-	-	-	2,960
Other income		130,559	616	136,147	69,204
Total income		571,990	531,712	1,696,267	1,543,203
EXPENSES AND OTHER CHARGES					
Administrative expenses		(122,882)	(129,189)	(405,811)	(416,903)
Finance costs		(16,580)	(19,131)	(49,198)	(56,767)
Total expenses and other charges		(139,462)	(148,320)	(455,009)	(473,670)
PROFIT BEFORE PROVISION FOR TAX		432,528	383,392	1,241,258	1,069,533
Taxation from subsidiary		(1,391)	-	(4,209)	-
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		(3,892)	(5,209)	(11,171)	(10,656)
National Labour Support Tax (“NLST”)		(8,171)	(9,778)	(29,052)	(27,679)
Zakat		(3,268)	(4,625)	(11,621)	(11,072)
PROFIT FOR THE PERIOD		415,806	363,780	1,185,205	1,020,126
Attributable to:					
Equity holders of the Parent Company		416,886	363,163	1,185,205	1,018,024
Non-controlling interests		(1,080)	617	-	2,102
		415,806	363,780	1,185,205	1,020,126
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (EPS)					
	4	2.57 Fils	2.22 Fils	7.31 Fils	6.22 Fils

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2024

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	415,806	363,780	1,185,205	1,020,126
Other comprehensive (loss) income:				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(4,632)	4,396	(1,454,951)	(734,448)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	411,174	368,176	(269,746)	285,678
Attributable to:				
Equity holders of the Parent Company	412,254	367,559	(269,746)	283,576
Non-controlling interests	(1,080)	617	-	2,102
	411,174	368,176	(269,746)	285,678

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2024

	Notes	30 September 2024 KD	(Audited) 31 December 2023 KD	30 September 2023 KD
ASSETS				
Non-current assets				
Goodwill		-	-	91,005
Furniture and equipment		39,824	960	1,089
Investment properties	5	14,729,733	15,002,082	12,507,381
Investment in associates	6	3,817,792	3,954,409	3,820,930
Financial asset at fair value through profit or loss	10	986,137	986,137	727,553
		<u>19,573,486</u>	<u>19,943,588</u>	<u>17,147,958</u>
Current assets				
Accounts receivable and prepayments		243,573	304,024	541,399
Cash and short-term deposits	7	1,983,527	3,305,341	4,706,284
		<u>2,227,100</u>	<u>3,609,365</u>	<u>5,247,683</u>
TOTAL ASSETS		<u>21,800,586</u>	<u>23,552,953</u>	<u>22,395,641</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,610,326	1,610,326	1,405,545
Treasury shares		(112,893)	-	-
Treasury shares reserve		2,255	-	-
Other reserve		(1,432)	(1,432)	(1,432)
Foreign currency translation reserve		(5,292,395)	(3,837,444)	(3,840,574)
Effect of changes in reserves of an associate		-	(50,174)	(50,174)
Retained earnings		7,179,677	6,863,110	6,165,452
		<u>19,754,815</u>	<u>20,953,663</u>	<u>20,048,094</u>
Equity attributable to equity holders of the Parent Company		<u>19,754,815</u>	<u>20,953,663</u>	<u>20,048,094</u>
Non-controlling interests		-	33,871	61,918
Total equity		<u>19,754,815</u>	<u>20,987,534</u>	<u>20,110,012</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		415,262	391,428	383,726
		<u>415,262</u>	<u>391,428</u>	<u>383,726</u>
Current liabilities				
Accounts payable and accruals		569,356	883,800	630,790
Islamic finance payables	5	1,061,153	1,290,191	1,271,113
		<u>1,630,509</u>	<u>2,173,991</u>	<u>1,901,903</u>
Total liabilities		<u>2,045,771</u>	<u>2,565,419</u>	<u>2,285,629</u>
TOTAL EQUITY AND LIABILITIES		<u>21,800,586</u>	<u>23,552,953</u>	<u>22,395,641</u>


Saad Bandar Al-Lafi
Vice Chairman & CEO

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2024

	<i>Attributable to equity holders of the Parent Company</i>										
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Effect of changes in reserve of an associate 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	16,369,277	1,610,326	-	-	(1,432)	(3,837,444)	(50,174)	6,863,110	20,953,663	33,871	20,987,534
Profit for the period	-	-	-	-	-	-	-	1,185,205	1,185,205	-	1,185,205
Other comprehensive loss	-	-	-	-	-	(1,454,951)	-	-	(1,454,951)	-	(1,454,951)
Total comprehensive (loss) income for the period	-	-	-	-	-	(1,454,951)	-	1,185,205	(269,746)	-	(269,746)
Movement of reserve in the associate	-	-	-	-	-	-	50,174	(50,174)	-	-	-
Purchase of treasury shares	-	-	(132,605)	-	-	-	-	-	(132,605)	-	(132,605)
Sale of treasury shares	-	-	19,712	2,255	-	-	-	-	21,967	-	21,967
Change in ownership in subsidiary	-	-	-	-	-	-	-	-	-	(33,871)	(33,871)
Dividend (note 11)	-	-	-	-	-	-	-	(818,464)	(818,464)	-	(818,464)
At 30 September 2024	16,369,277	1,610,326	(112,893)	2,255	(1,432)	(5,292,395)	-	7,179,677	19,754,815	-	19,754,815
As at 1 January 2023	16,369,277	1,405,545	(3)	-	(1,432)	(3,106,126)	(50,174)	5,965,892	20,582,979	59,816	20,642,795
Profit for the period	-	-	-	-	-	-	-	1,018,024	1,018,024	2,102	1,020,126
Other comprehensive loss	-	-	-	-	-	(734,448)	-	-	(734,448)	-	(734,448)
Total comprehensive (loss) income for the period	-	-	-	-	-	(734,448)	-	1,018,024	283,576	2,102	285,678
Transfer of treasury shares reserve to retained earnings	-	-	3	-	-	-	-	-	3	-	3
Dividend (note 11)	-	-	-	-	-	-	-	(818,464)	(818,464)	-	(818,464)
At 30 September 2023	16,369,277	1,405,545	-	-	(1,432)	(3,840,574)	(50,174)	6,165,452	20,048,094	61,918	20,110,012

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2024

		<i>Nine months ended</i>	
		<i>30 September</i>	
	<i>Notes</i>	2024	2023
		KD	KD
OPERATING ACTIVITIES			
Profit before tax		1,241,258	1,069,533
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation		579	708
Profit from term deposits		(51,727)	(90,528)
Gain on sale of investment property	5	-	(2,960)
Share of results of an associate	6	48,485	(111,843)
Reversal of provision no longer required		(103,028)	-
Provision for employees' end of service benefits		34,603	46,273
Finance costs		49,198	56,767
		1,219,368	967,950
<i>Working capital adjustments:</i>			
Accounts receivable and prepayments		90,845	(23,011)
Accounts payable and accruals		(147,567)	(226,518)
Cash flows from operations		1,162,646	718,421
Employees' end of service benefits paid		(10,769)	-
Taxes paid		(92,704)	-
Net cash flows from operating activities		1,059,173	718,421
INVESTING ACTIVITIES			
Net movement in term deposits		(474,930)	1,352,261
Profit received from term deposits		51,951	81,118
Purchase of investment property	5	(658,520)	-
Purchase of furniture and equipment		(39,443)	-
Proceeds from sale of investment property	5	-	72,649
Dividends received from associates	6	12,545	25,051
Net cash flows (used in) from investing activities		(1,108,397)	1,531,079
FINANCING ACTIVITIES			
Finance costs paid		(75,844)	(56,662)
Repayment of Islamic finance payables		(229,038)	(202,287)
Purchase of treasury shares		21,967	3
Proceeds from sale of treasury shares		(132,605)	-
Dividend paid (note 11)		(819,016)	(815,619)
Net cash flows used in financing activities		(1,234,536)	(1,074,565)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,283,760)	1,174,935
Net foreign exchange difference		(512,984)	(214,791)
Cash and cash equivalents at 1 January		2,850,261	3,339,046
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	1,053,517	4,299,190
Non-cash transactions excluded from the interim condensed consolidated statement of cash flows are as follows:			
Fair value adjustment on step disposal of retained interest in a former subsidiary (adjusted with investment in associates)		-	(11,187)

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Mubarrad Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2024 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 13 November 2024.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 17 April 2024 approved the consolidated financial statements for the year ended 31 December 2023. Dividends declared by the Group for the year then ended are provided in Note 11.

The Parent Company is a public shareholding company incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Boursa Kuwait.

The Parent Company's head office is located at Old Khaitan, Block 29, Street 22, Building 15, Mezzanin Office #12, Kuwait.

The principal activities of the Group are described in Note 11. All activities are conducted in accordance with Islamic Sharī'a principles, as approved by the Parent Company's Fatwa and Sharī'a Supervisory Board.

The Parent Company is a subsidiary of A'ayan Leasing and Investment Company K.S.C.P. (“the Ultimate Parent Company”), whose shares are publicly traded in Boursa Kuwait.

1.2 GROUP INFORMATION

Subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of incorporation	% equity interest		
			30 September 2024	31 December 2023	30 September 2023
Mubarrad for Development and Limited Investment Company W.L.L.	Logistics services	Sudan	100%	100%	100%
Emdad Equipment Leasing Company K.S.C (Closed) *	Logistics services	Kuwait	100%	98%	98%
Takatof Real Estate Co. E.S.C **	Real estate	Egypt	98%	98%	98%

* Refer to Note 8 for further details.

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

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

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2024 have 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 has been presented in Kuwaiti Dinar (“KD”), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. Further, results for the nine months period ended 30 September 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

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

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 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.

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
Rental income from investment properties	558,740	453,899	1,605,471	1,325,802
Real estate related expenses	(15,247)	(17,845)	(48,593)	(57,134)
	543,493	436,054	1,556,878	1,268,668

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

4 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period less treasury shares. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	416,886	363,163	1,185,205	1,018,024
Weighted average number of shares outstanding during the period (shares) *	162,232,805	163,692,769	162,232,805	163,692,769
Basic and diluted EPS (Fils)	2.57	2.22	7.31	6.22

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which require the restatement of EPS.

5 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</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	15,002,082	13,053,945	13,053,945
Additions*	658,520	2,027,958	-
Disposals	-	(69,689)	(69,689)
Change in fair value	-	554,147	-
Exchange differences	(930,869)	(564,279)	(476,875)
As at the end of the period/ year	14,729,733	15,002,082	12,507,381

* During the period, the Group purchased residential units in Egypt with a cash consideration of KD 658,520.

Included within investment properties, the following:

- ▶ Properties in the State of Kuwait with a carrying value of KD 6,250,000 (31 December 2023: KD 6,250,000 and 30 September 2023: KD 6,250,000) are pledged as security in order to fulfil collateral requirements of banking facilities obtained from a local financial institution amounting to KD 1,061,153 at the reporting date (31 December 2023: KD 1,290,191 and 30 September 2023: KD 1,271,113).
- ▶ Property with a carrying value of KD 2,800,000 (31 December 2023: KD 2,800,000 and 30 September 2023: KD 2,800,000) is managed by a related party on behalf of the Group for which management fees charged during the period amounted to KD Nil (30 September 2023: KD 6,214) (Note 8).

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 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

6 INVESTMENT IN ASSOCIATES

The group has the following investment in associates:

	Principal activities	Country of incorporation	% equity interest		
			30 September 2024	31 December 2023	30 September 2023
Oman Integral Logistics Company O.S.C. (Closed)*	Logistics services	Oman	50%	50%	50%
Inshaa Alahlia Real Estate S.P.C.	Real estate	Kuwait	20%	20%	20%

* As at 30 September 2024, the Group has 50% (31 December 2023: 50%, 30 September 2023: 50%) interest in Oman Integral Logistics Company O.S.C. (Closed), an associate involved in logistic services that is accounted for using the equity method. The associate is a private entity that is not listed on any stock exchange; therefore, no quoted market prices are available for its shares. Although the Group holds 50% equity interest in the associate, the management has concluded that the Group does not exercise control or joint control over the associate.

A reconciliation of the carrying amount of the associates is set out below:

	30 September 2024	(Audited) 31 December 2023	30 September 2023
	KD	KD	KD
As at the beginning of the period/ year	3,954,409	3,758,100	3,758,100
Share of results	(48,485)	182,145	111,843
Dividends	(77,034)	(50,217)	(25,051)
Fair value adjustment of retained interest in a former subsidiary	-	11,187	11,187
Exchange differences	(11,098)	53,194	(35,149)
As at the end of the period/ year	<u>3,817,792</u>	<u>3,954,409</u>	<u>3,820,930</u>

7 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	30 September 2024	(Audited) 31 December 2023	30 September 2023
	KD	KD	KD
Cash and bank balances	1,053,517	2,850,261	4,299,190
Short-term deposits	930,010	455,080	407,094
Cash and short-term deposits	1,983,527	3,305,341	4,706,284
Less: term deposits with maturities of more than three months	(930,010)	(455,080)	(407,094)
Cash and cash equivalents	<u>1,053,517</u>	<u>2,850,261</u>	<u>4,299,190</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 3 and 6 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

8 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (associates, Ultimate Parent, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise control or significant influence) entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Group's management.

The following tables provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2024 and 2023, as well as balances with related parties as at 30 September 2024, 31 December 2023 and 30 September 2023:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of profit or loss				
Management fees (Note 5)	-	400	-	6,214
	<u>-</u>	<u>400</u>	<u>-</u>	<u>6,214</u>
			<i>(Audited)</i>	
	<i>Ultimate Parent</i>	<i>Other related parties</i>	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>30 September 2023</i>
				<i>KD</i>
Interim condensed consolidated statement of financial position:				
Financial assets at FVPL	-	534,361	534,361	534,361
	<u>-</u>	<u>534,361</u>	<u>534,361</u>	<u>534,361</u>
Amount due from a related party *	-	-	-	22,562
Amount due to a related parties **	31,291	3,477	34,768	-
	<u>31,291</u>	<u>3,477</u>	<u>34,768</u>	<u>-</u>

* Amount due from related party (included under accounts receivable and prepayments) represents the consideration receivable on disposal of 80% equity interest in Inshaa Al Ahlia Real Estate W.L.L.

** Amount due to related parties (included in Accounts payable and accruals) represents the consideration payable to Ultimate Parent and other related party on the purchase of 2% equity interest in Emdad Equipment Leasing Company K.S.C. (Closed)

Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances with related parties were as follows:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

8 RELATED PARTY DISCLOSURES (continued)

	<i>Transaction values for the nine months ended</i>		<i>Balance outstanding as at (Audited)</i>		
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	64,022	61,788	31,011	20,855	61,788
Employees end of service benefits	19,134	7,767	124,675	105,542	102,883
Directors' remuneration	-	-	-	30,000	-
	83,156	69,555	155,686	156,397	164,671

9 SEGMENT INFORMATION

For management purposes, the Group is organised into four major business segments. The principal activities and services under these segments are as follows:

- ▶ **Real estate:** Buying, selling, capital appreciation and investing in real estate
- ▶ **Investment:** financial assets at fair value through profit or loss, investment in associate and investment properties.
- ▶ **Transport, leasing and maintenance:** leasing, transportation and maintenance of vehicle and equipment to corporate and individual customers and investments with similar or related operations;
- ▶ **Others:** revenues and expenses that are not allocated to the above sectors

	<i>30 September 2024</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	14,729,733	4,927,593	2,143,260	21,800,586
Liabilities	1,061,153	35,057	949,561	2,045,771
Income	1,605,471	(48,485)	139,281	1,696,267
Segment results	1,556,878	(48,485)	(267,135)	1,241,258
	<i>30 September 2023</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	12,507,381	4,747,906	5,140,354	22,395,641
Liabilities	1,271,113	45,210	969,306	2,285,629
Income	1,325,801	111,843	105,559	1,543,203
Segment results	1,268,668	111,843	(310,978)	1,069,533

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

9 SEGMENT INFORMATION (continued)

	<i>31 December 2023 (Audited)</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	15,002,082	5,214,663	3,336,208	23,552,953
Liabilities	1,290,191	44,141	1,231,087	2,565,419

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair value hierarchy

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For 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.

Valuation methods and assumptions

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

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

Unquoted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Unquoted equity securities are valued based on dividend discount model and book value and price to book multiple method, multiples using latest financial statements available of the investee entities after considering for Discount for lack of marketability (DLOM) in the range of 20% -80%. The Group classifies the fair value of these investments as Level 3. The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Funds

The Group invests in a managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods. The management considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the Net Asset Value (NAV) of these funds may be used as an input into measuring their fair value. The Group classifies these funds as Level 3.

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 most of these instruments are of short term maturity or re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period:

	<i>Unquoted securities</i>		
	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</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	986,137	727,553	727,553
Change in fair value	-	258,584	-
As at the end of the period/ year	986,137	986,137	727,553

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

11 ANNUAL GENERAL MEETING AND DISTRIBUTION

The Board of Directors in their meeting held on 28 February 2024, proposed a cash dividend of 5% (2023: 5%) of the paid-up share capital (5 fils per share aggregating to KD 818,464) for the year ended 31 December 2023 (2022: KD 818,464) which were approved by the shareholders of the Parent Company at the annual general meeting (AGM) held on 17 April 2024.

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