

**DAR AL-THURAYA REAL ESTATE COMPANY
K.S.C.P. AND ITS SUBSIDIARIES**

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

31 MARCH 2024





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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF DAR AL-THURAYA REAL ESTATE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Dar Al-Thuraya Real Estate Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2024, and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

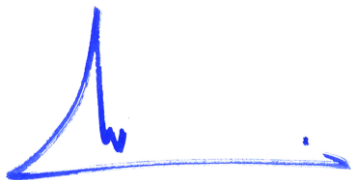
We draw attention to Note 5 in the interim condensed consolidated financial information which states that the Group is the ultimate beneficiary of certain investment properties with a carrying value of KD 1,575,000 (31 December 2022: KD 1,575,000 and 31 March 2023: KD 1,603,000) registered in the name 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 DAR AL-THURAYA REAL ESTATE COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Matters

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, concerning the establishment of Capital Markets Authority ("CMA") and organisation of security activity and its related regulations, as amended, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



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

15 May 2024
Kuwait

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2024	2023
		KD	KD
INCOME			
Net real estate income	3	119,818	107,427
Changes in fair value of financial assets at FVTPL		110,543	(55,857)
		230,361	51,570
EXPENSES AND OTHER CHARGES			
Administrative expenses		(37,225)	(38,946)
Finance costs	8	(14,900)	(10,845)
		(52,125)	(49,791)
PROFIT BEFORE TAX			
		178,236	1,779
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		(1,604)	(16)
National Labour Support Tax (NLST)		(4,492)	(35)
Zakat		(773)	-
PROFIT FOR THE PERIOD			
		171,367	1,728
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
		171,367	1,728
BASIC AND DILUTED EARNINGS PER SHARE			
	4	1.170 Fils	0.012 Fils

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

	Notes	31 March 2024 KD	(Audited) 31 December 2023 KD	31 March 2023 KD
ASSETS				
Non-current assets				
Investment properties	5	16,994,000	16,994,000	17,019,000
Current assets				
Trade and other receivables	6	87,344	58,931	73,476
Financial assets at fair value through profit or loss	10	862,932	752,389	835,737
Bank balances and cash		97,461	142,007	151,418
		1,047,737	953,327	1,060,631
Investment property held for sale	5	2,978,000	2,978,000	2,895,000
		4,025,737	3,931,327	3,955,631
TOTAL ASSETS		21,019,737	20,925,327	20,974,631
EQUITY AND LIABILITIES				
Equity				
Share capital		14,650,000	14,650,000	14,650,000
Statutory reserve		992,400	992,400	959,442
Voluntary reserve		866,845	866,845	866,845
Retained earnings		1,248,602	1,077,235	793,534
Total equity		17,757,847	17,586,480	17,269,821
Liabilities				
Non-current liabilities				
Employees' end of service benefits		25,182	23,720	23,960
Current liabilities				
Other liabilities		3,236,708	3,315,127	3,680,850
Total liabilities		3,261,890	3,338,847	3,704,810
TOTAL EQUITY AND LIABILITIES		21,019,737	20,925,327	20,974,631

Ahmad Abdulrazaq Al-Bahar
Chairman

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2024

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2024 (audited)	14,650,000	992,400	866,845	1,077,235	17,586,480
Total comprehensive income for the period	-	-	-	171,367	171,367
At 31 March 2024	14,650,000	992,400	866,845	1,248,602	17,757,847
As at 1 January 2023 (audited)	14,650,000	959,442	866,845	791,806	17,268,093
Total comprehensive income for the period	-	-	-	1,728	1,728
At 31 March 2023	14,650,000	959,442	866,845	793,534	17,269,821

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2024

	Notes	Three months ended	
		31 March	
		2024	2023
		KD	KD
OPERATING ACTIVITIES			
Profit before tax		178,236	1,779
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Changes in fair value on financial assets at FVPL		(110,543)	55,857
Provision for employees' end of service benefits		1,462	2,628
Finance costs	8	14,900	10,845
		84,055	71,109
<i>Working capital changes:</i>			
Trade and other receivables		(28,413)	(34,445)
Other liabilities		(92,927)	(3,357)
Cash flow (used to) from operations		(37,285)	33,307
Employees' end of service benefits paid		-	(3,000)
KFAS, NLST and Zakat paid		(7,261)	-
Net cash flows (used in) from operating activities		(44,546)	30,307
NET (DECREASE) INCREASE IN BANK BALANCES			
Bank balances and cash at 1 January		142,007	121,111
BANK BALANCES AT 31 MARCH		97,461	151,418

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Co. K.S.C. P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2024 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 15 May 2024.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2023 has not been held yet. Accordingly, the shareholders of the Parent Company have not yet approved the consolidated financial statements for the year ended 31 December 2023. The interim condensed consolidated financial information for the three-month period ended 31 March 2024 do not include any adjustments, which might have been required.

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

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 Group principally operates in Kuwait and engages in financial investments and properties as detailed in the Group’s annual consolidated financial statements for the year ended 31 December 2023. The principal activities of the Group are described in Note 10.

The Group carries out its activities in accordance with the principles of Islamic Sharī‘a as approved by the Fatwa and Shari‘a board appointed by the Parent Company.

The Parent Company is a subsidiary of Al Madar Kuwait Holding Company K.S.C.P. (the “Intermediate Parent Company”), a public shareholding company listed in Boursa Kuwait. The Intermediate 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 consolidated financial statements of the Group include:

Name	Principal activities	Country of Incorporation	% equity interest		
			31 March 2024	31 December 2023 (Audited)	31 March 2023
Al Thuraya Star Company W.L.L.	General trading and contracting	Kuwait	100%	100%	100%
Kuwait Building Real Estate Company K.S.C. (Closed)	Real estate	Kuwait	100%	99%	99%
Golden Madar Real Estate Company W.L.L.	Real estate	Kuwait	100%	100%	100%

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

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

2.1 Basis of preparation (continued)

The interim condensed consolidated financial information does not include all 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 as at and for the year ended 31 December 2023.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

3 NET REAL ESTATE INCOME

	<i>Three months ended 31 March</i>	
	2024	2023
	KD	KD
Rental income arising from operating leases on investment properties	126,656	111,385
Property operating expenses	(6,838)	(3,958)
	119,818	107,427

4 EARNINGS PER SHARE (EPS)

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

	<i>Three months ended 31 March</i>	
	2024	2023
Profit for the period (KD)	171,367	1,728
Weighted average number of ordinary shares outstanding during the period (shares)	146,500,000	146,500,000
Basic and diluted EPS (fils)	1.170	0.012

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

5 INVESTMENT PROPERTIES

	<i>31 March 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>31 March 2023 KD</i>
As at the beginning of the period/year	16,994,000	17,019,000	19,914,000
Change in fair value*	-	58,000	-
Reclassified to investment property held for sale	(2,978,000)	(2,978,000)	(2,895,000)
	16,994,000	16,994,000	17,019,000
Investment property held for sale **	2,978,000	2,978,000	2,895,000
As at the end of the period/year	19,972,000	19,972,000	19,914,000

Included within investment properties an income generating developed property in the State of Kuwait with a carrying value of KD 1,575,000 (31 December 2023: KD 1,575,000 and 31 March 2023: KD 1,603,000) which is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 996,246 as at 31 March 2024 (31 December 2023: KD 981,346 and 31 March 2023: KD 1,054,943) included under other liabilities in the interim condensed consolidated statement of financial position. The property is registered in the name of a related party (shareholder of the Ultimate Parent Company) who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group (Note 9).

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

5 INVESTMENT PROPERTIES (continued)

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

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Properties under development	10,850,000	10,850,000	10,805,000
Developed properties	9,122,000	9,122,000	9,109,000
	19,972,000	19,972,000	19,914,000

* 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.

** During 2022, the Parent Company entered into a preliminary contract (the "Contract") to sell an investment property in the State of Kuwait and received an advance of KD 50,000. The Contract specifies the terms of sale and the contractual obligations of each party. The Contract requires the buyer to pay the full amount before the transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect. The criterion of being available for immediate sale is therefore met at the plan commitment date, and accordingly, the investment property was consequently presented as held for sale in the consolidated financial statements as of that date and is reported in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The legal proceedings to complete the sale are still in progress as at the authorisation date of this interim condensed consolidated financial information.

6 TRADE AND OTHER RECEIVABLES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Tenant receivables	43,257	22,507	17,284
Prepaid expenses	15,712	1,049	20,817
Refundable deposits	24,375	31,375	31,375
Other receivables	4,000	4,000	4,000
	87,344	58,931	73,476

7 COMMITMENTS AND CONTINGENCIES

7.1 Legal claim contingencies

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

7.2 Other commitments and contingent liabilities

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

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

8 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (associates, major shareholders, 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 Parent Company's management.

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

	<i>Other related party¹</i>	<i>Intermediate Parent Company²</i>	<i>31 March 2024</i>	<i>(Audited) 31 December 2023</i>	<i>31 March 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Statement of financial position</i>					
Other liabilities	996,246	2,113,040	3,109,286	3,192,781	3,556,509

¹ Other related party represents an amount of KD 996,246 due to a major shareholder of the Ultimate Parent Company (31 December 2023: KD 981,346 and 31 March 2023: KD 1,054,943), bearing an interest rate of 6.3% (31 March 2023: 4.3%). The amount represents financing the purchase of an investment property. The amount is repayable on maturity on 30 June 2024 and is therefore classified as a current liability. The Group had incurred finance costs of KD 14,900 for the three months ended 31 March 2024 (31 March 2023: KD 10,845).

² Amounts due to the Intermediate Parent Company are unsecured, interest free and have no fixed repayment schedule. There have been no guarantees provided or received for related party payables.

Transactions with key management personnel

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

	<i>Transaction values for the three months ended</i>		<i>Balance outstanding as at</i>		
	<i>31 March 2024</i>	<i>31 March 2023</i>	<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	8,688	8,663	15,871	15,010	18,602
Employees end of service benefits	864	1,301	21,157	19,147	12,406
	9,552	9,964	37,028	34,157	31,008

9 SEGMENT INFORMATION

For management purposes, the Group is organised into three 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
- ▶ **Other unallocated items:** assets, liabilities, revenues and expenses that are not allocated to the above segments

Dar Al-Thuraya Real Estate Company K.S.C. P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

9 SEGMENT INFORMATION (continued)

	<i>31 March 2024</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated items KD</i>	<i>Total KD</i>
Assets	<u>20,015,257</u>	<u>862,932</u>	<u>141,548</u>	<u>21,019,737</u>
Liabilities	<u>1,049,246</u>	<u>-</u>	<u>2,212,644</u>	<u>3,261,890</u>
Income	<u>119,818</u>	<u>110,543</u>	<u>-</u>	<u>230,361</u>
Segment results	<u>119,818</u>	<u>110,543</u>	<u>(52,125)</u>	<u>178,236</u>
	<i>31 March 2023</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated items KD</i>	<i>Total KD</i>
Assets	<u>19,931,284</u>	<u>835,737</u>	<u>207,610</u>	<u>20,974,631</u>
Liabilities	<u>1,107,943</u>	<u>338</u>	<u>2,596,529</u>	<u>3,704,810</u>
Income (loss)	<u>107,427</u>	<u>(55,857)</u>	<u>-</u>	<u>51,570</u>
Segment results	<u>107,427</u>	<u>(55,857)</u>	<u>(49,791)</u>	<u>1,779</u>
	<i>31 December 2023 (Audited)</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated items KD</i>	<i>Total KD</i>
Assets	<u>19,994,507</u>	<u>752,389</u>	<u>178,431</u>	<u>20,925,327</u>
Liabilities	<u>1,034,346</u>	<u>-</u>	<u>2,304,501</u>	<u>3,338,847</u>

10 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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

10 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2024.

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

Valuation methods and assumptions

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

Listed investment in equity securities

As at 31 March 2024, financial assets at fair value through profit or loss with a carrying value of KD 862,932 (31 December 2023: KD 752,389 and 31 March 2023: KD 835,737) are classified under Level 1 of the fair value hierarchy.

Other financial assets and liabilities at amortised cost

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as these instruments are of short-term maturities or repriced immediately based on market movements in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

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

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

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