

INFRACORP B.S.C (c)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 SEPTEMBER 2024

Commercial registration	:	75109-1
Registered office	:	Office No. 11 Building 1436, Road 4626 Block 346, Manama Kingdom of Bahrain
Directors	:	Hesham Ahmed Alrayes, Chairman Salah Abdulla Mohamed Sharif Majed Abdulla Mohamed Alkhan Ahmed Ali Ebrahim Saeed Osama Mohamed Muein Hassan Abdulla Nooruddin Wael Sahawneh Walid El Hinidi
Auditor	:	KPMG Fakhro, Bahrain

INFRACORP B.S.C (c)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors

INFRACORP B.S.C (c)

Manama, Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of Infracorp B.S.C (c) (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2024;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 30 September 2023 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

20 November 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2024

US\$ 000's

	Note	30 September 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		48,578	55,270
Right of use asset		7,044	7,274
Investment property	8	170,648	192,043
Investment securities		102,827	102,777
Equity-accounted investees		67,496	21,563
Deferred tax asset		278	233
Total non-current assets		396,871	379,160
Current assets			
Inventories		5,102	5,706
Development properties	7	950,903	893,203
Due from related parties	15(a)	186,979	103,322
Other assets	9	61,218	38,166
Trade receivables		136,149	125,703
Cash and bank balances	6	131,048	107,188
Total current assets		1,471,399	1,273,288
Total assets		1,868,270	1,652,448
EQUITY AND LIABILITIES			
Equity			
Share capital		102,525	102,525
Share premium		96,822	96,834
Subordinated perpetual mudaraba		1,000,000	900,000
Statutory reserve		7,847	7,847
Fair value reserve		(838)	(1,368)
Foreign currency translation reserve		(40,713)	(29,494)
Retained earnings		11,762	12,540
Total equity attributable to shareholders of Company		1,177,405	1,088,884
Non-controlling interests		150,309	153,840
Total equity		1,327,714	1,242,724
Liabilities			
Non-current liabilities			
Borrowings from banks	11	21,798	14,445
Trade payables and other payables	12	10,428	10,408
Lease liability		8,207	8,147
Total non-current liabilities		40,433	33,000
Current liabilities			
Borrowings from banks	11	25,817	31,877
Due to related parties	15(a)	247,760	195,983
Trade and other payables	12	226,540	148,679
Lease liability		6	185
Total current liabilities		500,123	376,724
Total liabilities		540,556	409,724
Total equity and liability		1,868,270	1,652,448

The board of directors approved the condensed consolidated interim financial information on 20 November 2024 and signed on its behalf by:

Hesham Ahmed Alrayes
Chairman

Majed Abdulla Aikhan
Board Member & CEO

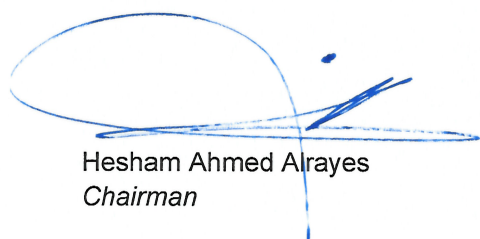
The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the nine months ended 30 September 2024

US\$ 000's

	Note	Nine months ended		Three months ended	
		30 September 2024 (Reviewed)	30 September 2023 (Reviewed)	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
Income					
Development and management income	13(i)	250,771	104,119	67,633	47,873
Operational income	13(ii)	9,132	10,078	3,592	3,798
Investment income	13(iii)	7,926	9,541	1,406	2,911
Total income		267,829	123,738	72,631	54,582
Expenses					
Direct cost of materials		197,411	65,694	47,705	33,537
Staff cost		4,788	4,727	1,770	1,511
Finance expenses		2,156	1,311	712	435
Other operating expenses	14	28,945	25,147	12,817	10,818
Total expenses		233,300	96,879	63,004	46,301
Profit before tax		34,529	26,859	9,627	8,281
Income tax credit		45	-	20	-
Profit for the period		34,574	26,859	9,647	8,281
Profit / (loss) attributable to					
Owners of the Company		37,222	29,882	10,690	9,224
Non-controlling interests		(2,648)	(3,023)	(1,043)	(943)
		34,574	26,859	9,647	8,281

The board of directors approved the condensed consolidated interim financial information on 20 November 2024 and signed on its behalf by:



Hesham Ahmed Alrayes
Chairman



Majed Abdulla Alkhan
Board Member & CEO

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the nine months ended 30 September 2024

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
Profit for the period	34,574	26,859	9,647	8,281
Other comprehensive income				
Item that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences	(11,382)	(1,752)	(5,508)	(8,962)
Debt instruments at FVOCI	530	(64)	816	(126)
Total comprehensive income for the period	23,722	25,043	4,955	(807)
Total comprehensive income attributable to				
Owners of the Company	26,534	28,440	6,022	1,626
Non-controlling interests	(2,812)	(3,397)	(1,067)	(2,433)
	23,722	25,043	4,955	(807)

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2024

US\$ 000's

	Attributable to shareholders of the Company							Non-controlling interest	Total owner's equity
	Share capital	Share Premium	Subordinated perpetual mudaraba	Statutory reserve	Fair value reserve	Foreign Currency translation reserve	Retained earnings		
Balance at 1 January 2024	102,525	96,834	900,000	7,847	(1,368)	(29,494)	12,540	153,840	1,242,724
Profit for the period	-	-	-	-	-	-	37,222	(2,648)	34,574
NCI arising from acquisition of subsidiaries	-	(12)	-	-	-	-	-	(720)	(732)
Subordinated perpetual mudaraba Issuance	-	-	100,000	-	-	-	-	-	100,000
Foreign currency translation differences	-	-	-	-	-	(11,219)	-	(163)	(11,382)
Change in fair value reserve	-	-	-	-	530	-	-	-	530
Payment of coupon on subordinated perpetual mudaraba	-	-	-	-	-	-	(38,000)	-	(38,000)
Balance at 30 September 2024	102,525	96,822	1,000,000	7,847	(838)	(40,713)	11,762	150,309	1,327,714

	Attributable to shareholders of the Company							Non-controlling interest	Total owner's equity
	Share capital	Share Premium	Subordinated perpetual mudaraba	Statutory reserve	Fair value reserve	Foreign Currency translation reserve	Retained earnings		
Balance at 1 January 2023	102,525	96,834	900,000	3,300	(1,803)	(34,149)	10,905	161,178	1,238,790
Profit for the period	-	-	-	-	-	-	29,882	(3,023)	26,859
NCI arising from acquisition of subsidiaries	-	-	-	-	-	-	-	16,288	16,288
Acquisition of NCI without change in control	-	-	-	-	-	-	(3,284)	(6,795)	(10,079)
Foreign currency translation differences	-	-	-	-	(64)	(1,377)	-	(374)	(1,751)
Change in fair value reserve	-	-	-	-	-	-	-	-	(64)
Payment of coupon on subordinated perpetual mudaraba	-	-	-	-	-	-	(36,000)	-	(36,000)
Balance at 30 September 2023	102,525	96,834	900,000	3,300	(1,867)	(35,526)	1,503	167,274	1,234,043

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2024

US\$ 000's

	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
OPERATING ACTIVITIES		
Profit for the period	34,574	26,859
<i>Adjustments for:</i>		
Finance income	(2,040)	(2,518)
Depreciation	9,846	5,046
Fair value loss of bond	321	-
Share of loss from equity accounted investee	(993)	150
Changes in operating activities:		
Development properties	173,252	39,966
Bank balances - escrow accounts	(5,398)	(9,238)
Trade receivables	(24,489)	(12,048)
Due from related parties	(8,899)	(13,675)
Inventory	604	1,657
Payables and other liabilities	24,392	(211)
Due to related parties	(170,721)	27,575
Other assets	(23,052)	(1,039)
Net cash from operating activities	7,397	62,524
INVESTING ACTIVITIES		
Acquisition of property and equipment (net)	(1,147)	(72)
Placement matured	-	10,308
Cash acquired from acquisition (net)	8,898	-
Proceeds from investment property	20,212	(31,424)
Bank balance- call placement mudaraba	10,000	-
Derecognition of equity accounted investee	-	8,045
Sale of investment securities	29,404	5,261
Finance income received	2,040	2,518
Net cash from / (used in) investing activities	69,407	(5,364)
FINANCING ACTIVITIES		
Receipt/ (payment) of borrowings	1,293	(1,443)
Subordinated perpetual mudaraba coupon paid	(38,000)	(36,000)
Acquisition of NCI without change in control - net	(720)	(10,079)
Lease liability	(119)	(155)
Net cash used in financing activities	(37,546)	(47,677)
Net increase in cash and cash equivalents	39,258	9,483
Cash and cash equivalents at period beginning	25,148	14,286
Cash and cash equivalents at period end and note (i)	64,406	23,769

(i) Cash and cash equivalents comprises of current account (refer note 6)

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

US\$ 000's

1 REPORTING ENTITY

The condensed consolidated interim financial information for the nine months ended 30 September 2024 comprise the financial information of INFRACORP B.S.C (c) ("Infracorp" or the "Company") and its subsidiaries (together referred to as "the Group").

Investee name	Country of incorporation	Effective ownership interests as at 30 September 2024	Effective ownership interests as at 31 December 2023	Activities
Harbour Row 2 Real Estate W.L.L.	Kingdom of Bahrain	100%	100%	Development, sale and management of real estate assets in Bahrain Financial Harbour.
Harbour Row 3 Real Estate W.L.L.		100%	100%	
Residential South Real Estate Development Co. WLL ("RSRED")		100%	-	
Falcon Cement Company BSC (c) ("FCC")		51.72%	51.72%	Manufacturing and packaging of cement
N.S.12 W.L.L. ("N.S. 12")		79.69%	79.69%	Mixed-use development and sale of real estate assets
Bahrain Harbour Marines W.L.L.		100%	100%	Operation of recreational water transportation facilities
Bahrain Harbour Events W.L.L.		100%	100%	Organization of conventions, events, and trade shows
Infinity 7		100%	-	Development, sale and management of real estate assets
Villamar Nest		100%	-	
LS Real Estate Company W.L.L.			60%	-
Energy City Navi Mumbai Investment Company & Mumbai IT & Telecom Technology Investment Company (together "India Projects")	Cayman Islands	78.66%	78.66%	Owning land banks for mixed-used development projects in India, Morocco, and Tunisia.
Tunis Bay Investment Company ("TBIC")		86.22%	82.97%	
Infracorp Asset Company		100%	100%	
Morocco Gateway Investment Company ("MGIC")		90.27%	90.27%	
US Data Center Portfolio ("US Data")		87.53%	59.18%	Portfolio of data center facilities located in high technology business parks in Virginia, USA
GFH Real Estate LLC	United Arab Emirates	100%	100%	Mixed-use development and sale of real estate assets in Dubailand, based in UAE

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

US\$ 000's

1 REPORTING ENTITY (continued)

The Company has other investment holding companies, SPV's and subsidiaries, which are set up to supplement the activities of the Company and its principal subsidiaries.

INFRACORP B.S.C (c) is a closely held Bahraini shareholding Company incorporated in the Kingdom of Bahrain under commercial registration number 75109-1, on 23 May 2010. The registered address of the Company is Shop 11, Building 1436, Road 4626, Block 346, Manama / Sea Front, Bahrain. The Group is principally engaged in business of real estate and infrastructure development, asset management, investment and product development, fund raising and sourcing opportunities and development rights of infrastructure assets.

The shareholders who have subscribed to paid up share capital as at the reporting were as follows:

Name of shareholder	Shareholding	
	30 September 2024	31 December 2023
GFH Financial Group BSC	39%	39%
Nash'at Farhan Awad Sahawneh	47.5%	47.5%
Other shareholders	13.5%	13.5%
	100.00%	100.00%

2 BASIS OF PREPERATION

a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in connection with the Group's last financial statements as at and for the year ended 31 December 2023. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events in transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. This condensed consolidated interim financial information are reviewed and not audited.

The interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2023. The comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted Group's reviewed accounts for the nine months ended 30 September 2023.

b) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency.

c) New standards, amendments and interpretations effective as of 1 January 2024

There are no new standards and interpretations for financial year beginning on or after 1 January 2024 that would be expected to have a material impact on the Group.

d) New standards and amendments issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group does not expect the new or amended standards to have significant impact on its financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

US\$ 000's

2 BASIS OF PREPARATION (continued)

e) Use of estimates and judgements

Preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the audited financial statements as at and for the year ended 31 December 2023.

f) Risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2023.

g) Basis of presentation

The below paragraphs and tables describe the Group's significant lines of business and sources of revenue they are associated with.

Activities:

The Group's primary activities include: a) to undertake targeted development and sale of infrastructure and real estate projects for enhanced returns and managing real-estate projects and properties. b) to engaged in the manufacturing operations, holdings of real estate for rental yields and c) to manage its liquid assets and to investments in securities with the objective of earning higher returns from capital and money market opportunities.

Segments:

To undertake the above activities, the Group has organized itself in the following segment units:

Development and management	This business unit is primarily involved in origination and management of large-scale economic infrastructure projects. The business unit also covers the Group's investment in real estate and related assets.
Operational	This business unit represents the Group's involvement in operational business-like manufacturing units and fixed generating income from the real estate business.
Investment	All common costs and activities that are undertaken at the Group level, including liquidity and residual investment assets, is considered as part of the investment activities of the Group.

Sources of revenue:

The Group primarily earns its revenue from the following sources and presents its statement of profit or loss and other comprehensive income accordingly:

Activity/ Source	Products	Types of revenue
Development and management	- Development and sale of real estate and infrastructure projects	<i>Development and sale income</i> , from development and sale of real estate projects of the Group based on percentage of completion (POC) method.
	- managing real-estate projects and properties	<i>Fee based income</i> , management fees, performance fee, acquisition fee and exit fee which are contractual in nature

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

US\$ 000's

2 (g) BASIS OF PRESENTATION (continued)

Activity/ Source	Products	Types of revenue
Operational	- Revenue generated from manufacturing activities	Sale of units manufactured and its associated products
	- Holdings of real estate for rental yields	<i>Rental and operating income</i> , from rental and other ancillary income from investment in real estate.
Investment	Fixed income generated from the Group's investments and surplus liquidity	Includes dividends, gain / (loss) on sale and remeasurement of investment securities and share of profit or (loss) of equity accounted investees
	Finance income from normal operational funds	Financing income, fees and other investment income

3 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the Group's last audited financial statements as at and for the year ended 31 December 2023.

4 SEASONALITY

Due to the inherent nature of the Group's business, the nine-month results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

5 COMPARATIVES

The comparative figures have been regrouped in order to confirm with the presentation for current period. Such regrouping did not affect previously reported profit for the period or total equity.

6 CASH AND BANK BALANCES

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Cash in hand	1	1
Current account	64,406	25,147
Escrow account	31,641	37,040
Placements - call mudaraba account	35,000	45,000
	131,048	107,188

7 DEVELOPMENT PROPERTIES

This represents properties under development for sale in Bahrain, UAE, North Africa, and India.

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	893,203	934,671
Acquisition through business combination	234,586	-
Additions during the period, net	579	38,449
Cost of sales	(166,083)	(84,689)
Foreign exchange translation differences	(11,382)	4,772
Closing balance	950,903	893,203

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

US\$ 000's

8 INVESTMENT PROPERTY

Investment property includes land plots and buildings in Bahrain, USA, UAE, Tunisia and Morocco.

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	192,043	189,585
Additions through business combination	-	35,146
Sale of land	(24,700)	-
Acquisition of land	3,693	(4,351)
Acquisition of properties	796	26
Depreciation	(1,184)	(1,578)
Adjustment in cost of asset	-	(26,785)
Closing balance	170,648	192,043

9 OTHER ASSETS

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Prepayment	13,511	22,600
Duties and taxes receivable	23,155	6,046
Advance paid to contractors and suppliers	2,128	2,229
Others	22,424	7,291
	61,218	38,166

10 NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

30 September 2024	India Projects 21.34%	MGIC 9.73%	TBIC 13.78%	Others	Total
Non-current assets	-	1,571	4,245	89,949	95,765
Current assets	406,180	269,351	275,856	105,810	1,057,197
Non-current liabilities	-	888	-	72,855	73,743
Current liabilities	82,076	65,746	57,952	19,208	224,982
Net assets	324,104	204,288	222,149	103,696	854,237
Net assets attributable to NCI	69,149	19,876	30,611	30,673	150,309
Opening NCI	69,021	20,237	28,848	35,734	153,840
Revenue	4,189	-	-	827	5,016
Profit/loss for the period	3,515	(935)	7,504	(12,672)	(2,588)
Other comprehensive income ("OCI")	(35,784)	641	(5,570)	-	(40,713)
Total comprehensive income	(32,269)	(294)	1,934	(12,672)	(43,301)
Profit/Loss allocated to NCI	750	(91)	1,034	(4,341)	(2,648)
OCI allocated to NCI (impact of FCTR)	(622)	(270)	729	-	(163)
Step-up acquisition impact	-	-	-	(720)	(720)
Total NCI as on 30 September 2024	69,149	19,876	30,611	30,673	150,309

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

US\$ 000's

11 BORROWINGS

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	21,798	14,445
Current	25,817	31,877
	47,615	46,322

The borrowings from bank comprises of financing availed by FCC and certain overseas investment properties to fund project development and working capital requirements of industrial business. The financing is secured against plant and machinery of industrial business and investment properties. These financing have been availed at rates varying between 2.5%-6.5% per annum. The Group is not a party to these financing contracts and has not guaranteed repayment in any form. These balances are reported in the condensed consolidated interim financial information as a result of consolidation of subsidiaries arising from the acquisition of business.

12 TRADE AND OTHER PAYABLES**NON-CURRENT LIABILITIES**

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Advances	9,259	9,259
Trade and other payables	731	731
Employee benefits	438	418
	10,428	10,408

CURRENT LIABILITIES

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Trade payables	106,224	46,615
Accrual for expenses	36,232	31,514
Advances received from customers	66,875	65,150
Taxes and duties payable	2,940	2,859
Dividend payable	943	943
Others	13,326	1,598
	226,540	148,679

13 REVENUE*(i) DEVELOPMENT AND MANAGEMENT INCOME*

	Nine months ended	
	30 September 2024 (Reviewed)	30 June 2023 (Reviewed)
Management fee	11,057	25,008
Development and sale of properties	239,714	79,111
	250,771	104,119

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

US\$ 000's

13 *REVENUE (continued)**(ii) OPERATIONAL INCOME*

Rental income
Revenue from cement operations

Nine months ended	
30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
	-
9,132	10,078
9,132	10,078

(iii) INVESTMENT INCOME

Share of loss from equity accounted investee
Interest income
Gain on bargain purchase of equity shares (note 16)
Gain on sale of investment
Remeasurement gain on acquisition
Other income

Nine months ended	
30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
992	(150)
2,171	5,152
3,149	2,815
515	-
-	1,321
1,099	403
7,926	9,541

14 **OTHER OPERATING EXPENSES**

Rent & utility
Depreciation
Marketing and brokerage
Operational and other miscellaneous expenses

Nine months ended	
30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
2,337	1,544
9,846	5,046
3,602	6,150
13,160	12,407
28,945	25,147

15 **RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group. A significant portion of the Group's management fees are from entities over which the Group exercises influence (assets under management). Although these entities are considered related parties, the Group administers and manages these entities on behalf of its clients, who are by and large third parties and are the economic beneficiaries of the underlying investments. The transactions with these entities are based on agreed terms.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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15 RELATED PARTIES (continued)

The significant transactions during the period and balances as at period end included in these consolidated financial statements are as follows:

a) Balances with related parties

30 September 2024

	Significant shareholder	Subsidiary of Significant shareholder	Total
Assets			
Due from related parties	178,335	8,644	186,979
Bank balances – call mudaraba account	-	10,782	10,782
Liabilities			
Due to related party	247,760	-	247,760

31 December 2023

	Significant shareholder	Subsidiary of Significant shareholder	Total
Assets			
Due from related parties	88,776	14,546	103,322
Bank balances- current account	-	10,782	10,782
Liabilities			
Due to related parties	156,438	39,545	195,983

b) Transactions with related parties

For the period ended 30 September 2024

	Significant Shareholders/ entities in which directors are interested	Subsidiary of Significant shareholder and other related parties	Total
Development management income	637	10,420	11,057
Payment of coupon on subordinated perpetual mudaraba	-	(38,000)	(38,000)

For the period ended 30 September 2023

	Significant Shareholders/ entities in which directors are interested	Subsidiary of Significant shareholder and other related parties	Total
Development management income	24,531	477	25,008
Sale of development property	9,857	-	9,857
Payment of coupon on subordinated perpetual mudaraba	(36,000)	-	(36,000)
Investment income	947	98	1,045
Other income	-	32	32

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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15 RELATED PARTIES (continued)

Transactions with key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation of the key management personnel was as follows:

	30 September 2024	30 September 2023
Salaries and other short-term benefits	1,193	789
Post-employment benefits	337	124

See note 16 and 17

16 SUBORDINATED PERPETRUAL MUDARABA

During the year, the Group issued additional subordinated perpetual mudaraba of US\$ 100 million, in line with the original approved terms for a tap issuance. This tap issuance was utilised as consideration for acquisition of assets.

Summary of the acquisition

During 2024, the Group acquired 100% ownership in Residential South Real Estate Development Co. WLL ("RSRED"), Villamar Nest, and Infinity 7 for a carrying amount of USD 322.5m. The companies are principally engaged in real estate activities with owned or leased properties. The Group also acquired a non-controlling percentage of holding in LPOD and Domina Hotel. Furthermore, Infracorp acquired AlFaris Healthcare Building in Dubai, United Arab Emirates for a value of \$22.5m. All of the above acquisitions were from GFH.

Consideration transferred for the acquisition of assets is as following:

Perpetual sukuk issued mudaraba	100,000
Payable to related party	222,456
Total consideration for acquisition	322,456

17 ACQUISITION OF EQUITY ACCOUNTED INVESTEE

During the period, The Group acquired a 38.65 % ownership interest in Gulf Holding Company KSC (Holding), an equity accounted investee from GFH. The acquisition was completed for a total consideration of USD 27,055. The fair value of the identifiable net assets acquired on the acquisition date is as follows:

Non-current assets	81,183
Current assets	3,916
Non-current liabilities	(882)
Current liabilities	(6,010)
Net assets (100%)	78,207
Permanent adjustment of goodwill by the Group	-59
Net assets after permanent adjustment (100%)	78,148
Groups share of net assets after permanent adjustments (38.65%)	30,204
Consideration paid	(27,055)
Gain on acquisition of equity accounted investees	3,149

No goodwill or intangible asset has been recognised as a result of above acquisitions.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

US\$ 000's

18 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to the other stakeholders.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the period ended 30 September 2024.

19 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS**Classification**

The Company's financial instruments have been classified as "at amortised cost", "at fair value through profit or loss" and "at fair value through other comprehensive income".

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Fair value hierarchy

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's investment in quoted equity and debt type securities are classified as level 1 or 2 whereas the unquoted equity investments are classified as level 3 under the fair value hierarchy. The fair value of the Group's financial instruments are not materially different from their carrying values as at 30 September 2024 due to short term nature of such instruments.

20 SEGMENT REPORTING

The Group has three distinct operating segments, Development and management, Operational segment and Investment which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different strategies for management and resource allocation within the Group. For each of the strategic business units, the Group's Board of Directors (chief operating decision makers) review internal management reports on a quarterly basis.

The following summary describes the operations in each of the Group's operating reportable segments:

- Development and management: Involved in Development and sale of infrastructure and real estate projects and managing real-estate projects and properties
- Operational segment: Revenue generated from manufacturing operations and Holdings of real estate for rental yields
- Investment: Fixed income generated from the Group's investments and surplus liquidity

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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The performance of each operating segment is measured based on segment results and are reviewed by the management committee and the Board of Directors on a quarterly basis. Segment results is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any is determined on an arm's length basis.

The Group classifies directly attributable revenue and cost relating to transactions originating from respective segments as segment revenue and segment expenses respectively. Indirect costs is allocated based on cost drivers/factors that can be identified with the segment and/ or the related activities. The internal management reports are designed to reflect revenue and cost for respective segments which are measured against the budgeted figures. The unallocated revenues, expenses, assets and liabilities related to entity-wide corporate activities and treasury activities at the Group level. Segment revenue and expenses were net-off inter segment revenue and expenses.

	Development and management	Operational	Investment	Total
30 September 2024				
Segment revenue	250,771	9,132	7,926	267,829
Segment expenses (including impairment allowances)	213,139	18,962	1,199	233,300
Segment result	37,632	(9,830)	6,727	34,529
Segment assets	1,348,830	178,615	340,825	1,868,270
Segment liabilities	390,264	51,680	98,612	540,556

During the previous period, a single entity level reporting is being done to the Chief operating decision maker ("CODM") and accordingly no segment reporting has been presented for the comparative period.

21 COMMITMENTS AND CONTINGENCIES

The commitments contracted in the normal course of business of the Group:

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Capital commitment for infrastructure development projects	37,488	47,030