Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

Al-Deera Holding Company – KPSC and Subsidiaries

Kuwait

30 September 2021 (Unaudited)

Contents

Grant Thornton
Al-Qatami, Al-Aiban & Partners

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Report on review of interim condensed consolidated financial information

To the board of directors of
Al-Deera Holding Company – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Deera Holding Company - KPSC ("the Parent Company") and its subsidiaries ("the Group") as of 30 September 2021 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". 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 necessitates the belief that the accompanying interim condensed consolidated financial information has not been prepared, in all material respects, in accordance with International Accounting Standard No. 34 "Interim Financial Report".

Report on review of other legal and regulatory requirements
Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2021 that might have had a material effect on the business or financial position of the Parent Company.

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 material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2021 that might had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 November 2021

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 30 Sept. 2021 (Unaudited) KD	Three months ended 30 Sept. 2020 (Unaudited) KD	Nine months ended 30 Sept. 2021 (Unaudited) KD	Nine months ended 30 Sept. 2020 (Unaudited) KD
Revenue					
Change in fair value of investments at fair value through profit or loss		**(10,445)**	1,380	**(10,247)**	(1,016)
Loss on sale of investments at fair value through profit or loss		**(4,339)**	-	**(4,339)**	-
Share of results of associates	6	**385,821**	(83,966)	**1,056,200**	(1,620,333)
Other income		**70,161**	349	**71,533**	10,349
		441,198	(82,237)	**1,113,147**	(1,611,000)
Expenses and other charges					
Staff costs		**(28,590)**	(29,502)	**(99,248)**	(96,027)
General, administrative and other expenses		**(53,991)**	(40,906)	**(141,637)**	(114,238)
Finance costs		**(69,118)**	(58,559)	**(175,048)**	(294,821)
		(151,699)	(128,967)	**(415,933)**	(505,086)
Profit/(loss) for the period		**289,499**	(211,204)	**697,214**	(2,116,086)
Attributable to:					
Shareholders of the Parent Company		**289,499**	(211,204)	**697,223**	(2,115,877)
Non-controlling interests		**-**	-	**(9)**	(209)
		289,499	(211,204)	**697,214**	(2,116,086)
Basic and diluted profit/(loss) per share attributable to the shareholders of the Parent Company	5	**3.15 Fils**	(5.96) Fils	**5.94 Fils**	(59.71) Fils

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Nine months ended	
	30 Sept. 2021 (Unaudited) KD	30 Sept. 2020 (Unaudited) KD	**30 Sept. 2021 (Unaudited) KD**	30 Sept. 2020 (Unaudited) KD
Profit/(loss) for the period	**289,499**	(211,204)	**697,214**	(2,116,086)
Other comprehensive income / (loss):				
Items that will be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Share of other comprehensive income of associates (note 6)	**1,731,865**	2,132,611	**3,083,297**	1,858,948
Total other comprehensive income/(loss) that will be reclassified to consolidated statement of profit or loss in subsequent periods	**1,731,865**	2,132,611	**3,083,297**	1,858,948
Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Investments at fair value through other comprehensive income:				
- Net change in fair value arising during the period	**(237,029)**	27,877	**1,369,948**	(657,017)
Total other comprehensive (loss)/income that will not be reclassified to consolidated statement of profit or loss in subsequent periods	**(237,029)**	27,877	**1,369,948**	(657,017)
Total other comprehensive income / (loss)	**1,494,836**	2,160,488	**4,453,245**	1,201,931
Total comprehensive income /(loss) for the period	**1,784,335**	1,949,284	**5,150,459**	(914,155)
Attributable to:				
Shareholders of the Parent Company	**1,784,335**	1,949,284	**5,150,468**	(913,946)
Non-controlling interests	**-**	-	**(9)**	(209)
	1,784,335	1,949,284	**5,150,459**	(914,155)

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment		**12**	12	12
Investment in associates	6	**21,255,316**	17,160,944	17,604,345
Investments at fair value through other comprehensive income	7	**3,737,557**	2,367,609	1,625,233
		24,992,885	19,528,565	19,229,590
Current assets				
Receivables and other assets		**306,967**	226,781	360,811
Investments at fair value through profit or loss		**82,475**	3,548	3,123
Bank balances and other financial institutions and cash in portfolio		**1,332,249**	16,631	26,728
		1,721,691	246,960	390,662
Total assets		**26,714,576**	19,775,525	19,620,252
Equity and liabilities				
Equity				
Share capital	8	**9,177,056**	19,737,880	19,737,880
Other components of equity	9	**6,080,075**	610,612	187,822
Accumulated losses		**(797,019)**	(16,627,425)	(16,432,601)
Total equity attributable to the shareholders of the Parent Company		**14,460,112**	3,721,067	3,493,101
Non-controlling interests		**236,144**	236,153	239,368
Total equity		**14,696,256**	3,957,220	3,732,469
Liabilities				
Non-current liabilities				
Provision for employees' end of service benefits		**169,022**	156,501	153,024
Term loans from related parties	11	**7,824,095**	-	-
		7,993,117	156,501	153,024
Current liabilities				
Payables and other liabilities	12	**4,025,203**	2,204,007	2,276,962
Term loans from related parties	11	**-**	13,457,797	13,457,797
		4,025,203	15,661,804	15,734,759
Total liabilities		**12,018,320**	15,818,305	15,887,783
Total equity and liabilities		**26,714,576**	19,775,525	19,620,252

Talal Bader Al Bahar
Chairman

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company				Non-controlling interests	Total
	Share Capital KD	Other components of equity (note 9) KD	Accumulated losses KD	Sub – total KD	KD	KD
Balance at 31 December 2020 (Audited)	**19,737,880**	**610,612**	**(16,627,425)**	**3,721,067**	**236,153**	**3,957,220**
Amortization of accumulated losses (note 8)	(10,560,824)	-	16,194,526	5,633,702	-	5,633,702
Profit/(loss) for the period	-	-	697,223	697,223	(9)	697,214
Other comprehensive income	-	4,453,245	-	4,453,245	-	4,453,245
Total comprehensive income for the period	-	4,453,245	697,223	5,150,468	(9)	5,150,459
Share of loss realized from equity investments at fair value through other comprehensive income (FVOCI) owned by an associate	-	1,016,218	(1,016,218)	-	-	-
The effect of change in ownership of associate as a result of purchasing treasury shares	-	-	(45,125)	(45,125)	-	(45,125)
Balance at 30 September 2021 (Unaudited)	**9,177,056**	**6,080,075**	**(797,019)**	**14,460,112**	**236,144**	**14,696,256**

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company				Non-controlling interests	Total
	Share Capital KD	Other components of equity (note 9) KD	Accumulated losses KD	Sub – total KD	KD	KD
Balance at 31 December 2019 (Audited)	19,737,880	(1,011,517)	(14,194,967)	4,531,396	239,577	4,770,973
Loss for the period	-	-	(2,115,877)	(2,115,877)	(209)	(2,116,086)
Other comprehensive income	-	1,201,931	-	1,201,931	-	1,201,931
Total comprehensive income / (loss) for the period	-	1,201,931	(2,115,877)	(913,946)	(209)	(914,155)
Share of profit realized from equity investments at fair value through other comprehensive income (FVOCI) owned by an associate	-	(2,592)	2,592	-	-	-
Effect of the change in ownership percentage for a subsidiary of an associate	-	-	(23,531)	(23,531)	-	(23,531)
The effect of the change as a result of purchasing the treasury shares of an associate company	-	-	(100,818)	(100,818)	-	(100,818)
Balance at 30 September 2020 (Unaudited)	19,737,880	187,822	(16,432,601)	3,493,101	239,368	3,732,469

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Nine months ended 30 Sept. 2021 (Unaudited) KD	Nine months ended 30 Sept. 2020 (Unaudited) KD
OPERATING ACTIVITIES		
Profit/(loss) for the period	697,214	(2,116,086)
Adjustments for:		
Provision for employees' end of service benefits	12,521	10,547
Share of results of associates	(1,056,200)	1,620,333
Finance costs	175,048	294,821
	(171,417)	(190,385)
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	(78,927)	1,016
Receivables and other assets	(80,186)	(9,410)
Payables and other liabilities	1,646,148	192,670
Employees' end of service benefits paid	-	(10,900)
Net cash from/(used in) operating activities	1,315,618	(17,009)
Net increase/(decrease) in cash and cash equivalents	1,315,618	(17,009)
Cash and cash equivalents at beginning of the period	16,631	43,737
Cash and cash equivalents at end of the period	1,332,249	26,728

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Al Deera Holding Company ("the Parent Company") was established on 18 February 1998 as a Kuwaiti limited liability company. On 8 September 2005, the legal status of the Company was changed from a limited liability Company to a Kuwaiti public shareholding Company. The Parent Company is a subsidiary of Kuwait Holding Company – KSCC (The main Parent Company).

The extraordinary general assembly held on 26 September 2015 approved the amendment of the Parent Company's objectives to become as follows:

- Management of the Parent Company's subsidiaries or participation in management of other companies in which it holds ownership stakes and providing the necessary support thereto.
- Investing funds by way of trading in shares, bonds and other financial securities.
- Acquisition of properties and movables necessary to carry out the business activities as allowable by the law.
- Financing and extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or royalties and any other property related thereto, and renting such properties to the subsidiary companies and others whether inside Kuwait or abroad.

The Parent Company has the right to carry out above mentioned activities inside Kuwait or abroad whether directly or through power of attorney.

The Parent Company is authorized to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the Company in achieving its objectives whether in Kuwait or abroad. The Parent Company has the right to establish, participate in or acquire such institutions.

The Parent Company's shares are listed on Boursa Kuwait. The group comprises the Parent Company and its subsidiaries.

The address of the Parent Company's registered offices is PO. Box 4839, Safat 13049 – Kuwait.

The interim condensed consolidated financial information for the nine-month period ended 30 September 2021 was authorized for issue by the directors of the Parent Company on 14 November 2021.

2 Basis of presentation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2021 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020, except for changes described in Note (3).

The annual consolidated financial statements for the year ended 31 December 2020 were prepared in accordance with the International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB"), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine-month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the year ending 31 December 2021. For further details, refer to the Group's annual audited consolidated financial statements and its disclosures for the year ended 31 December 2020.

3 Changes in accounting policies

3.1 New and amended standards adopted by the group

No new amendments or standards were effective for the current period.
However, the IFRS 16 Leases amendment relating to Covid19 Rent Related Concessions has been extended until 30 September 2022. The practical expedient allows lessees to elect to not carry out an assessment to decide whether a COVID-19-related rent concession received is a lease modification. The lessee is permitted to account for the rent concession as if the change is not a lease modification.

3.2 IASB Standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's interim condensed consolidated financial information is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's interim condensed consolidated financial information.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments	No stated date
IAS 1 Amendments- Classification of current and non-current	1 January 2023
IAS 1 Amendments- Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023
IAS 16 – Amendments – Proceeds before intended use	1 January 2022
Annual Improvements 2018-2020 Cycle	1 January 2022

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments

The Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IASB has postponed the effective date indefinitely until other projects are completed. However, early implementation is allowed.

Management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future should such transactions arise.

IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IAS 1 Amendments – Disclosure of accounting policies

The amendments to IAS 1 require entities to disclose material accounting policies instead of significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IAS 8 Amendments – Definition of accounting estimates

The amendments to IAS 8 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IAS 16 Amendments - Proceeds before intended use
The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Management does not anticipate that the adoption of the amendment in the future will have a significant impact on the Group's consolidated financial statements.

Annual Improvements 2018-2020 Cycle
Amendment to IAS 1 simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. Subsidiary that is a first-time adopter later than its parent might have been required to keep two parallel sets of accounting records for cumulative translation differences based on different dates of transition to IFRSs. However, the amendment extends the exemption to cumulative translation differences to reduce costs for first-time adopters.

Amendment to IFRS 9 relates to the '10 per cent' Test for Derecognition of Financial Liabilities – In determining whether to derecognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Lease Incentives – amendment to illustrative examples – The IASB was informed about the potential for confusion in applying IFRS 16 Leases because of how Illustrative Example 13 accompanying IFRS 16 had illustrated the requirements for lease incentives. Before the amendment, Illustrative Example 13 had included as part of the fact pattern a reimbursement relating to leasehold improvements; the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16. The IASB decided to remove the potential for confusion by deleting from Illustrative Example 13 the reimbursement relating to leasehold improvements.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2020.

Notes to the interim condensed consolidated financial information (continued)

5 Basic and diluted earnings / (loss) per share attributable to the shareholders of the Parent Company

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to the shareholders of the Parent Company by weighted average number of shares outstanding during the period as follows:

	Three months ended		Nine months ended	
	30 Sept. 2021 (Unaudited)	(Restated) 30 Sept. 2020 (Unaudited)	30 Sept. 2021 (Unaudited)	(Restated) 30 Sept. 2020 (Unaudited)
Profit/(loss) for the period attributable to the shareholders of the Parent Company (KD)	**289,499**	(211,204)	**697,223**	(2,115,877)
Weighted average number of shares outstanding during the period (shares)	**91,770,560**	35,433,540	**117,302,222**	35,433,540
Basic and diluted profit /(loss) per share attributable to the shareholders of the Parent Company	**3.15 Fils**	(5.96) Fils	**5.94 Fils**	(59.71) Fils

- Weighted average number of shares outstanding for comparative period has been restated as a result of reducing the share capital during the current period (note 8).

6 Investment in associates

The movement of investment in associates during the period/year is as follows:

	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
Balance at beginning of the period/year	**17,160,944**	17,490,079	17,490,079
Share of results	**1,056,200**	(1,731,204)	(1,620,333)
Share of other comprehensive income /(loss) of the associates	**3,083,297**	1,539,337	1,858,948
Effect of the change in ownership percentage for a subsidiary of an associate	-	(23,531)	(23,531)
The effect of change in ownership of associate as a result of purchasing treasury shares	**(45,125)**	(113,737)	(100,818)
	21,255,316	17,160,944	17,604,345

- Investment in associates amounting to KD21,254,316 (31 December 2020: KD8,035,880 and 30 September 2020: KD8,123,544) is pledged against term loans from related parties (note 11).

7 Investments at fair value through other comprehensive income

	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
Investment portfolios managed by related party (Note 12)	**3,279,476**	1,909,528	1,249,459
Equity contributions	**458,081**	458,081	375,774
	3,737,557	2,367,609	1,625,233

Investments at fair value through other comprehensive income with a carrying value of KD3,279,476 (31 December 2020: KD1,909,528 and 30 September 2020: KD1,249,459 are pledged against term loans from related parties (note 11).

Notes to the interim condensed consolidated financial information (continued)

8 Share capital

	Authorised, issued and fully paid		
	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
91,770,560 authorised, issued and fully paid shares of KD0.100 each - in cash	9,177,056	19,737,880	19,737,880

The Extraordinary General Assembly of the shareholders of the parent company held on 13 January 2021 approved the following:

1) Extinguishment of accumulated losses of KD16,194,526 as of 10 August 2020 which represent 161,945,260 shares by reducing the Parent Company's capital.

2) Increase the Parent Company's capital by an amount of KD5,633,702 divided into 56,337,020 shares of (100) fils, by settling the debt of one of the shareholders (Related Party) (note 11 – a).

Hence, the authorized, issued and paid-up capital of the parent company equivalent to KD9,177,056 divided into 91,770,560 shares, with a nominal value of 100 fils per share.

9 Other components of equity

	Fair value reserve KD	Foreign currency translation reserve KD	Total KD
Balance at 31 December 2020 (Audited)	**565,954**	**44,658**	**610,612**
Share of other comprehensive income/(loss) of associates	3,111,720	(28,423)	3,083,297
Investments at fair value through other comprehensive income:			
- Net change in fair value arising during the period	1,369,948	-	1,369,948
Total other comprehensive income/(loss)	4,481,668	(28,423)	4,453,245
Share of loss realized from equity investments at fair value through other comprehensive income (FVOCI) owned by an associate	1,016,218	-	1,016,218
Balance at 30 September 2021 (Unaudited)	**6,063,840**	**16,235**	**6,080,075**
Balance at 31 December 2019 (Audited)	(1,038,082)	26,565	(1,011,517)
Share of other comprehensive (loss)/income of associates	1,788,566	70,382	1,858,948
Investments at fair value through other comprehensive income:			
- Net change in fair value arising during the period	(657,017)	-	(657,017)
Total other comprehensive (loss)/income	1,131,549	70,382	1,201,931
Share of profit realized from investments at fair value through other comprehensive income (FVOCI) owned by an associate	(2,592)	-	(2,592)
Balance at 30 September 2020 (Unaudited)	90,875	96,947	187,822

Notes to the interim condensed consolidated financial information (continued)

10 Annual General Assembly

The annual general assembly of the Parent Company's shareholders held on 19 may 2021 approved the consolidated financial statements for the financial year ended 31 December 2020. Furthermore, it approved not to dist5rubute any dividends for the financial year ended 31 December 2020. (31 December 2019: Nil).

11 Term loans from related parties

The loans outstanding as of 30 September 2021 represent credit balances owed to related parties that were converted into loans on 1 August 2020 to be payable on 31 July 2021. During the period, the Group rescheduled all these loans to be matured on 31 July 2028 under the new facility contracts concluded between the parent company and those related parties, and they are as follows: -

	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
Kuwait Holding Company - KSCC - A below	1,822,771	7,456,473	7,456,473
Al-Rana General Trading and Contracting Company – WLL - B below	2,727,886	2,727,886	2,727,886
International Resorts Company KPSC - C below	359,469	359,469	359,469
Al Nozha International Real Estate Company - WLL - D below	1,150,000	1,150,000	1,150,000
AIM Consulting - WLL - D below	289,317	289,317	289,317
International Financial Advisors Holding Company - KPSC - E below	1,474,652	1,474,652	1,474,652
	7,824,095	13,457,797	13,457,797
Current portion	-	13,457,797	13,457,797
Non-current portion	7,824,095	-	-

Total finance costs recognized in favour of term loans from related parties during the period amounted to KD175,048 (31 December 2020: KD294,821, 30 September 2020: KD294,821)

a The loan owed to Kuwait Holding Company - KSCC carries an annual interest rate of 7% and is secured against investment in associates (note 6) and investments at fair value through other comprehensive income (note 7). During the current period, the Kuwait Holding Company transferred an amount of KD5,633,702 from debt balance against increasing the parent company's capital (see note 8).

b The loan owed to Al Rana General Trading and Contracting Company - WLL carries an annual interest rate of 5.375% and is secured against investment in associates (note 6) and investments at fair value through other comprehensive income (note 7).

c The loan owed to the International Resorts Company - KPSC does not carry interest and is guaranteed against a pledge of 5% of the share capital of the Deera Global Communications Company (subsidiary).

D The loan owed to Al Nozha International Real Estate Company - WLL and AIM Consulting – WLL do not carry interest and is secured against investment in associates (note 6) and investments at fair value through other comprehensive income (note 7).

E The loan owed to International Financial Advisors Holding Company – KPSC does not carry interest and is not guaranteed.

Notes to the interim condensed consolidated financial information (continued)

12 Payables and other liabilities

	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
Due to related parties - below	**1,969,877**	121,131	94,411
Accrued expenses	**49,208**	40,471	37,463
Dividend payable	**62,360**	62,360	62,360
National Labour Support Tax payable	**1,515,324**	1,515,324	1,515,324
Zakat payable	**46,438**	55,045	55,045
Other payables	**381,996**	409,676	512,359
	4,025,203	2,204,007	2,276,962

During the period, it was agreed with a related party to transfer the outstanding loan balance to the related party amounting to KD1,410,000 as of 30 June 2021 to a current account due to the same related party as shown above.

13 Related party balances and transactions

Related parties represent major shareholders, subsidiaries and associates, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the group's management. Transactions between the Parent company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and have not been disclosed in this note.

Details of significant related party balances and transactions are as follows:

	30 Sept. 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept. 2020 (Unaudited) KD
Interim condensed consolidated statement of financial position:			
Due from related parties- net provision (included in receivables and other assets)	**108,051**	27,099	51,686
Due to related parties (note 12)	**1,969,877**	121,131	94,411
Term Loans from related parties (see note 11)	**7,824,095**	13,457,797	13,457,797

	Three months ended		Nine months ended	
	30 Sept. 2021 (Unaudited) KD	30 Sept. 2020 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	30 Sept. 2020 (Unaudited) KD
Transactions included in interim condensed consolidated statement of profit or loss:				
Other income	-	-	-	10,000
Advisory fees	**17,250**	21,500	**62,250**	64,500
Finance costs (other related parties)	**69,118**	58,560	**175,048**	294,821
Compensation of key management personnel:				
Salaries and other short-term benefits	**22,500**	19,500	**67,900**	64,864
Employees' end of service benefits	**3,326**	3,279	**11,782**	9,821
	25,826	22,779	**79,682**	74,685

In addition, and as indicated in Note (7), one of the related parties manages an investment portfolio on behalf of the group.

Notes to the interim condensed consolidated financial information (continued)

14 Segmental information

The Group operates in one sector which is "investments". Most of the Group's assets and operations are located inside Kuwait.

	Investments	
	30 Sept. 2021 (Unaudited) KD	30 Sept. 2020 (Unaudited) KD
Nine months ended:		
Segment revenue/(loss)	**1,113,147**	(1,611,000)
Profit/(loss) for the period	**697,214**	(2,116,086)
Three months ended:		
Segment revenue/(loss)	**441,198**	(82,237)
Profit/(loss) for the period	**289,499**	(211,204)
Total assets	**26,714,576**	19,620,252
Total liabilities	**12,018,320**	15,887,783

15 Fair value measurement

15.1 Fair value hierarchy

Fair value represents 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.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement (continued)

15.1 Fair value hierarchy (continued)

30 September 2021 (Unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss:				
Investment portfolios	82,475	-	-	82,475
Investments at fair value through other comprehensive income:				
Investment portfolios	3,279,476	-	-	3,279,476
Equity participations	-	-	458,081	458,081
	3,361,951	-	458,081	3,820,032

31 December 2020 (Audited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss:				
Investment portfolios	3,548	-	-	3,548
Investments at FVTOCI:				
Investment portfolios	1,909,528	-	-	1,909,528
Equity participations	-	-	458,081	458,081
	1,913,076	-	458,081	2,371,157

30 September 2020 (Unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss:				
Investment portfolios	3,123	-	-	3,123
Investments at fair value through other comprehensive income:				
Investment portfolios	1,249,459	-	-	1,249,459
Equity participations	-	-	375,774	375,774
	1,252,582	-	375,774	1,628,356

Fair value measurement

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

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement (continued)

15.1 Fair value hierarchy (continued)

Measurement at fair value level 3

The group's measurement of financial assets classified in Level 3 uses valuation techniques based on inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to closing balances as follows:

	(Unquoted securities)		
	(Investments at fair value through OCI) 30 Sept. 2021 (Unaudited) KD	(Investments at fair value through OCI) 31 Dec. 2020 (Audited) KD	(Investments at fair value through OCI) 30 Sept. 2020 (Unaudited) KD
Opening balance for the period/year	458,081	540,128	540,128
Change in fair value during the period/year	-	(82,047)	(164,354)
Closing balance for period/year	**458,081**	458,081	375,774

The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each financial instrument, with the overall objective of maximising the use of market-based information.

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

The fair value of financial instruments that are not traded in an active market (e.g. local unquoted securities) is determined by using valuation techniques. Fair value for the underlying unquoted securities investments are approximately the summation of the estimated value of underlying investments as if realised on the reporting date.

The investment managers in determining the fair value of these investments use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Investment managers use techniques such as discounted cash flow analysis, recent transactions prices and market multiples to determine fair value.

Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognized in the interim condensed consolidated statement of profit or loss and other comprehensive income, total assets, total liabilities or total equity.

The impact on consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

Notes to the interim condensed consolidated financial information (continued)

16 Covid19 pandemic impact

The outbreak of Coronavirus ("COVID19") pandemic and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Global and local markets have experienced significant volatility and weakness. While governments and central banks have reacted with various financial packages and reliefs designed to stabilise economic conditions, the duration and extent of the impact of the COVID19 outbreak, as well as the effectiveness of government and central bank responses, remain unclear at this time.

Management has updated its assumptions with respect to judgements and estimates on various account balances which may be potentially impacted due to continued uncertainties in the volatile economic environment in which the Group conducts its operations. The assessment did not result into any significant impact on this interim condensed consolidated financial information.

Management is aware that a continued and persistent disruption could negatively impact the financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its supply-chain, industry reports and cash flows to minimise any negative impact on the Group.

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