Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

Al-Deera Holding Company – KPSC and Subsidiaries

Kuwait

31 March 2022 (Unaudited)

Contents

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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 31 March 2022 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 three-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 causes us to believe that the accompanying interim condensed consolidated financial information has not been prepared, in all material respects, in accordance with International Accounting Standard 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 three-month period ended 31 March 2022 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 three-month period ended 31 March 2022 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
15 May 2022

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
REVENUE			
Change in fair value of investments at fair value through profit or loss		**26,272**	91
Share of results of associates	6	**622,547**	255,662
Other income		**2,247**	932
		651,066	256,685
EXPENSES AND OTHER CHARGES			
Staff costs		**(34,667)**	(32,154)
General, administrative and other expenses		**(43,572)**	(51,874)
Finance costs		**(67,615)**	(37,564)
		(145,854)	(121,592)
Profit for the period		**505,212**	135,093
Attributable to:			
Shareholders of the Parent Company		**505,240**	135,102
Non-controlling interests		**(28)**	(9)
		505,212	135,093
Basic and diluted earnings per share attributable to the shareholders of the Parent Company	5	**5.51 Fils**	1.47 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 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
Profit for the period	**505,212**	135,093
Other comprehensive income/(loss):		
Items that will be reclassified subsequently to consolidated statement of profit or loss:		
Share of other comprehensive income of associates	**1,855,688**	653,760
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Equity investments at fair value through other comprehensive income		
- Net change in fair value arising during the period	**(102,989)**	1,107,241
Total other comprehensive income	**1,752,699**	1,761,001
Total comprehensive income for the period	**2,257,911**	1,896,094
Attributable to:		
Shareholders of the Parent Company	**2,257,939**	1,896,103
Non-controlling interests	**(28)**	(9)
	2,257,911	1,896,094

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	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
ASSETS				
Non-current assets				
Property, plant and equipment		**12**	12	12
Investment in associates	6	**23,828,243**	21,521,864	18,070,366
Investments at fair value through other comprehensive income	7	**3,557,308**	3,660,297	3,474,850
		27,385,563	25,182,173	21,545,228
Current assets				
Receivables and other assets		**434,951**	419,260	228,866
Investments at fair value through profit or loss		**499,849**	473,577	3,639
Cash and cash equivalent		**180,798**	152,267	13,430
		1,115,598	1,045,104	245,935
Total assets		**28,501,161**	26,227,277	21,791,163
EQUITY AND LIABILITIES				
Equity				
Share capital	8	**9,177,056**	9,177,056	9,177,056
Other components of equity	9	**7,790,577**	6,042,875	3,361,428
Accumulated losses		**(380,998)**	(719,379)	(1,287,612)
Total equity attributable to the shareholders of the Parent Company		**16,586,635**	14,500,552	11,250,872
Non-controlling interests		**257,634**	257,662	236,144
Total equity		**16,844,269**	14,758,214	11,487,016
Liabilities				
Non-current liabilities				
Provision for employees' end of service benefits		**166,412**	168,659	155,569
Term loans from related parties	10	**7,824,095**	7,824,095	-
		7,990,507	7,992,754	155,569
Current liabilities				
Term loans from related parties	10	**-**	-	7,824,095
Payables and other liabilities	11	**3,666,385**	3,476,309	2,324,483
		3,666,385	3,476,309	10,148,578
Total liabilities		**11,656,892**	11,469,063	10,304,147
Total equity and liabilities		**28,501,161**	26,227,277	21,791,163

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					
	Share capital KD	Other components of equity (note 9) KD	Accumulated losses KD	Sub – total KD	Non-controlling interests KD	Total KD
Balance at 31 December 2021 (Audited)	9,177,056	6,042,875	(719,379)	14,500,552	257,662	14,758,214
Profit/(loss) for the period	-	-	505,240	505,240	(28)	505,212
Total other comprehensive income	-	1,752,699	-	1,752,699	-	1,752,699
Total comprehensive income/(loss) for the period	-	1,752,699	505,240	2,257,939	(28)	2,257,911
Share of realised profit on investments at fair value through other comprehensive income owned by an associate	-	(4,997)	4,997	-	-	-
Effect of the change in ownership equity for a subsidiary of an associate	-	-	(145,465)	(145,465)	-	(145,465)
Effect of the change in ownership of an associate on purchase of treasury shares	-	-	(26,391)	(26,391)	-	(26,391)
Balance at 31 March 2022 (Unaudited)	9,177,056	7,790,577	(380,998)	16,586,635	257,634	16,844,269

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 (continued)

	Equity attributable to the shareholders of the Parent Company					
	Share capital KD	Other components of equity (note 9) KD	Accumulated losses KD	Sub – total KD	Non-controlling interests KD	Total KD
Balance at 31 December 2020 (Audited)	19,737,880	610,612	(16,627,425)	3,721,067	236,153	3,957,220
Extinguishment of accumulated losses (note 8 a)	(16,194,526)	-	16,194,526	-	-	-
Increase in capital by way of settlement of related party loan (note 8 b)	5,633,702	-	-	5,633,702	-	5,633,702
Profit for the period	-	-	135,102	135,102	(9)	135,093
Total other comprehensive income	-	1,761,001	-	1,761,001	-	1,761,001
Total comprehensive income for the period	-	1,761,001	135,102	1,896,103	(9)	1,896,094
Share of realised losses on investments at fair value through other comprehensive income owned by an associate	-	989,815	(989,815)	-	-	-
Balance at 31 March 2021 (Unaudited)	9,177,056	3,361,428	(1,287,612)	11,250,872	236,144	11,487,016

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

	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
OPERATING ACTIVITIES		
Profit for the period	**505,212**	135,093
Adjustments for:		
Reversal for employees' end of service benefits	**(2,247)**	-
Share of results of associates	**(622,547)**	(255,662)
Finance costs	**67,765**	37,564
	(51,817)	(83,005)
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	**(26,272)**	(91)
Receivables and other assets	**(15,691)**	(2,085)
Payables and other liabilities	**122,311**	82,912
Employees' end of service benefits paid	**-**	(932)
Net cash from/(used in) operating activities	**28,531**	(3,201)
Net increase/(decrease) in cash and cash equivalents	**28,531**	(3,201)
Cash and cash equivalents at beginning of the period	**152,267**	16,631
Cash and cash equivalents at end of the period	**180,798**	13,430

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 three-month period ended 31 March 2022 was authorized for issue by the directors of the Parent Company on 15 May 2022.

2 Basis of presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2022 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 2021, except for changes described in note 3.

The annual consolidated financial statements for the year ended 31 December 2021 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 three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022. For further details, refer to the Group's annual audited consolidated financial statements and its disclosures for the year ended 31 December 2021.

3 Changes in accounting policies

3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 3 Amendment – Reference to the conceptual framework	1 January 2022
IAS 16 – Amendments – Proceeds before intended use	1 January 2022
Annual Improvements 2018-2020 Cycle	1 January 2022

IFRS 3 – Reference to the conceptual framework

The amendments add a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

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.

The adoption of the amendment did not have a significant impact on the Group's interim condensed consolidated financial information.

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.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended standards adopted by the Group (continued)

Annual Improvements 2018-2020 Cycle (continued)
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.

Amendment to IFRS 16 avoids 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.

Amendment to IAS 41 removes the requirement in IAS 41.22 to exclude taxation cash flows when measuring fair value. This amendment aligns the requirements in IAS 41 on fair value measurement with those in other IFRS Standards.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

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

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)

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 2021.

5 Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Parent Company by weighted average number of shares outstanding during the period.

The Parent Company had no outstanding dilutive potential shares.

	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Profit for the period attributable to the shareholders of the Parent Company (KD)	**505,240**	135,102
Weighted average number of shares outstanding during the period (shares)	**91,770,560**	91,770,560
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	**5.51**	1.47

6 Investment in associates

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

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Balance at the beginning of the period/year	**21,521,864**	17,160,944	17,160,944
Share of results	**622,547**	1,351,843	255,662
Share of other comprehensive income of the associates	**1,855,688**	3,155,573	653,760
Effect of the change in ownership equity for a subsidiary of an associate	**(145,465)**	(102,379)	-
Effect of change in ownership of an associate on purchase of treasury shares	**(26,391)**	(44,117)	-
Balance at the end of the period/year	**23,828,243**	21,521,864	18,070,366

Investment in associates with a carrying amount of KD23,827,243 (31 December 2021: KD21,520,864 and 31 March 2021: KD18,069,366) is pledged against term loans from related parties (note 10).

Notes to the interim condensed consolidated financial information (continued)

7 Investments at fair value through other comprehensive income

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Investment portfolios managed by a related party (note 13)	**3,054,572**	3,157,801	3,016,673
Equity contributions	**502,736**	502,496	458,177
	3,557,308	3,660,297	3,474,850

Investments at fair value through other comprehensive income with a carrying value of KD3,054,572 (31 December 2021: KD3,157,801 and 31 March 2021: KD3,016,673) are pledged against term loans from related parties (note 10).

8 Share capital

	Authorised, issued and fully paid		
	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
91,770,560 authorised, issued and fully paid shares of KD0.100 each - in cash	**9,177,056**	9,177,056	9,177,056

The Extraordinary General Assembly of the shareholders of the Parent Company held on 13 January 2021 approved the following:

a. 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.

b. 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 (a related party) (note 10 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.

The above change of capital was approved by the Ministry of Commerce and industry and registered in the commercial register on 17 March 2021.

Notes to the interim condensed consolidated financial information (continued)

9 Other components of equity

	Fair value reserve KD	Foreign currency translation reserve KD	Total KD
Balance at 31 December 2021 (Audited)	**6,002,082**	**40,793**	**6,042,875**
Share of other comprehensive income/(loss) of associates	1,866,692	(11,004)	1,855,688
Investments in equity securities at fair value through other comprehensive income:			
- Net change in fair value arising during the period	(102,989)	-	(102,989)
Total other comprehensive income/(loss)	1,763,703	(11,004)	1,752,699
Share of realised profit on equity investments at fair value through other comprehensive income owned by an associate	(4,997)	-	(4,997)
Balance at 31 March 2022 (Unaudited)	**7,760,788**	**29,789**	**7,790,577**
Balance at 31 December 2020 (Audited)	565,954	44,658	610,612
Share of other comprehensive income/(loss) of associates	669,664	(15,904)	653,760
Investments in equity securities at fair value through other comprehensive income:			
- Net change in fair value arising during the period	1,107,241	-	1,107,241
Total other comprehensive income/(loss)	1,776,905	(15,904)	1,706,001
Share of realised loss on equity investments at fair value through other comprehensive income owned by an associate	989,815	-	989,815
Balance at 31 March 2021 (Unaudited)	3,332,674	28,754	3,361,428

10 Term loans from related parties

The loans outstanding as of 31 March 2022 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 previous year, 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;

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Kuwait Holding Company - KSCC - a below	1,822,771	1,822,771	1,822,771
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	7,824,095	7,824,095
Current portion	-	-	7,824,095
Non-current portion	7,824,095	7,824,095	-
	7,824,095	7,824,095	7,824,095

Notes to the interim condensed consolidated financial information (continued)

10 Term loans from related parties (continued)

Total finance costs recognized in favour of term loans from related parties during the period amounted to KD67,615 (31 March 2021: KD37,564)

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 previous year, the Kuwait Holding Company transferred an amount of KD5,633,702 from debt balance against increasing the Parent Company's capital (note 8 b).

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 - WLL (a 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.

11 Payables and other liabilities

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Due to related parties - below	**1,536,940**	1,346,136	247,348
Accrued expenses	**49,340**	48,133	40,471
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**	46,438	55,045
Other payables	**455,983**	457,918	403,935
	3,666,385	3,476,309	2,324,483

During the previous year, the Group obtained an amount of KD1,410,000 from Med Al-Bahar Holding Company (a related party), and of which KD Nil (31 December 2021: KD705,000 and 31 March 2021: KD Nil) was settled during the period/year. The balance of KD705,000 (31 December 2021: KD705,000 and 31 March 2021: KD Nil) of this amount was included in the due to related parties above.

12 Annual General Assembly

The annual general assembly for the year ended 31 December 2021 was not held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2021 were not approved yet. The interim condensed consolidated financial information for the three-month period ended 31 March 2022 does not include any adjustments that would be required in case the general assembly did not approve the consolidated financial statements for the year ended 31 December 2021. The Parent Company's board of directors proposed not to distribute cash dividend for the financial year ended 31 December 2021. (2020: no dividend).

Notes to the interim condensed consolidated financial information (continued)

13 Related party balances and transactions

Related parties represent major shareholders, subsidiaries, 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:

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Balances included in interim condensed consolidated statement of financial position:			
Due from related parties- net of provision (included in receivables and other assets)	**315,982**	397,501	33,470
Due to related parties (included in payables and other liabilities) (note 11)	**1,536,940**	1,346,136	247,348
Term loans from related parties (note 10)	**7,824,095**	7,824,095	7,824,095

	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
Transactions included in interim condensed consolidated statement of profit or loss:		
Advisory fees	**19,250**	22,500
Finance costs (note 10)	**67,615**	37,564
Compensation of key management personnel:		
Salaries and other short-term benefits	**22,897**	25,864
End of service benefits	-	1,649
	22,897	27,513

a. As explained in note 8 (b) and 10 (a) the Parent Company agreed to increase it's share capital by issuing new shares totalling 56,337,220 shares to Kuwait Holding Company – KSCC (a related party) in settlement of KD5,633,702 of the outstanding loan due to this related company.

b. In addition to above, as stated in note 7, a related party 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	
	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
Three months ended:		
Segment revenue	**651,066**	256,685
Profit for the period	**505,212**	135,093

	Investments		
	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Total assets	**28,501,161**	26,227,277	21,791,163
Total liabilities	**11,656,892**	11,469,063	10,304,147
Net assets	**16,844,269**	14,758,214	11,487,016

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)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 March 2022 (Unaudited)				
Investments at fair value through profit or loss				
Investment portfolios	499,849	-	-	499,849
Investments at fair value through other comprehensive income				
Investment portfolios	3,054,572	-	-	3,054,572
Equity participations	-	-	502,736	502,736
	3,554,421	-	502,736	4,057,157
31 December 2021 (Audited)				
Investments at fair value through profit or loss				
Investment portfolios	473,577	-	-	473,577
Investments at fair value through other comprehensive income				
Investment portfolios	3,157,801	-	-	3,157,801
Equity participations	-	-	502,496	502,496
	3,631,378	-	502,496	4,133,874
31 March 2021 (Unaudited)				
Investments at fair value through profit or loss				
Investment portfolios	3,639	-	-	3,639
Investments at fair value through other comprehensive income				
Investment portfolios	3,016,673	-	-	3,016,673
Equity participations	-	-	458,177	458,177
	3,020,312	-	458,177	3,478,489

There have been no transfers between levels 1 and 2 during the reporting period.

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

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:

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 (continued)

	Investments at FVTOCI		
	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Balance at the beginning of the period/year	**502,496**	458,081	458,081
Change in fair value during the period/year	**240**	44,415	96
Balance at the end of period/year	**502,736**	**502,496**	**458,177**

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%.

16 Covid19 pandemic impact

The outbreak of Coronavirus ("COVID19") pandemic and related global responses caused material disruptions to businesses around the world, leading to an economic slowdown. Global and local markets experienced significant volatility and weakness during the pandemic. While the pandemic has now been largely controlled with measures from governments and central banks with various financial packages and reliefs designed to stabilise economic conditions.

Management updated its assumptions with respect to judgements and estimates on various account balances which may still be potentially impacted due to the lingering effects. The assessment did not result into any significant impact on this interim condensed consolidated financial information. Management continues to closely monitor the market trends, its supply-chain, industry reports and cash flows to minimise any future negative impact on the Group.

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