AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

CONTENTS

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Mazaya Holding Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C.P. "The Parent Company" and its subsidiaries (the Group) as of September 30, 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 months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the nine months period ended September 30, 2021 that might have had a material effect on the Group's financial position or results of its operations.

Furthermore, during our review we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the nine months period ended September 30, 2021 that might have had a material effect on the Group's financial position or results of its operations.

State of Kuwait
November 10, 2021

Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
ASSETS				
Current assets:				
Cash and cash equivalent	3	**5,983,917**	7,078,529	12,712,112
Financial assets at fair value through profit or loss "FVTPL"		**376,328**	372,616	741,092
Accounts receivable and other debit balances	4	**7,852,587**	10,847,874	11,744,515
Inventory		**33,088**	-	-
Properties held for trading		**6,808,525**	6,910,313	7,754,160
Assets classified as held for sale	5	**15,416,845**	-	-
Total current assets		**36,471,290**	25,209,332	32,951,879
Non-current assets:				
Financial assets at fair value through other comprehensive income "FVTOCI"		**10,715,974**	11,139,946	11,601,130
Investment properties		**151,422,171**	168,806,596	171,170,604
Property, plant and equipment		**1,186,145**	373,468	380,915
Goodwill		**2,254,210**	2,254,210	2,254,210
Total non-current assets		**165,578,500**	182,574,220	185,406,859
Total assets		**202,049,790**	207,783,552	218,358,738
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and other credit balances		**6,357,349**	6,585,631	6,952,839
Advances from customers		**263,643**	477,684	504,276
Lease liabilities		**1,357,760**	1,314,272	1,152,628
Islamic bank facilities		**6,136,455**	16,573,980	9,043,039
Term loans		**-**	-	5,309,442
Liabilities associated with assets classified as held for sale	5	**280,803**	-	-
Total current liabilities		**14,396,010**	24,951,567	22,962,224
Non-current liabilities:				
Accounts payable and other credit balances		**6,033,644**	8,107,425	7,329,342
Lease liabilities		**10,655,064**	11,755,388	11,865,322
Islamic bank facilities		**90,573,669**	81,444,252	89,606,579
Provision for end of service indemnity		**1,748,225**	1,618,585	1,538,028
Total non-current liabilities		**109,010,602**	102,925,650	110,339,271
Total liabilities		**123,406,612**	127,877,217	133,301,495
Equity:				
Share capital	11	**62,955,982**	68,827,896	68,827,896
Share premium	11	**17,921,560**	21,655,393	21,655,393
Treasury shares	6	**(1,777)**	(18,819,349)	(18,819,349)
Statutory reserve	11	**1,591,819**	14,469,647	14,469,647
Fair value reserve		**(5,224,382)**	(4,874,003)	(4,422,597)
Employees' share option plan		**-**	67,830	62,178
Other reserves		**733,784**	731,986	731,986
Foreign currency translation adjustments		**(13,182,673)**	(11,259,558)	(10,009,879)
Foreign currency translation adjustments associated with assets classified as held for sale		**(38,020)**	-	-
Retained earnings (Accumulated loss)	11	**148,200**	(3,733,833)	(523,796)
Equity attributable to shareholders of Parent Company		**64,904,493**	67,066,009	71,971,479
Non-controlling interests		**13,738,685**	12,840,326	13,085,764
Total equity		**78,643,178**	79,906,335	85,057,243
Total liabilities and equity		**202,049,790**	207,783,552	218,358,738

The accompanying notes (1) to (14) form an integral part of the interim condensed consolidated financial information.

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Revenue:					
Revenue from sale of properties held for trading		**-**	410,319	**410,786**	9,416,388
Rental income		**2,408,351**	2,005,274	**7,041,132**	6,229,685
Medical services income		**951,146**	-	**1,793,310**	-
Net management fees and commission income		**76,621**	25,713	**226,843**	183,581
Total revenue		**3,436,118**	2,441,306	**9,472,071**	15,829,654
Costs:					
Cost of sale of properties held for trading		**-**	(361,261)	**(400,327)**	(9,029,051)
Cost of rental		**(461,059)**	(487,767)	**(1,514,620)**	(1,316,894)
Cost of medical services		**(741,229)**	-	**(1,330,863)**	-
Total costs		**(1,202,288)**	(849,028)	**(3,245,810)**	(10,345,945)
Gross profit		**2,233,830**	1,592,278	**6,226,261**	5,483,709
Impairment loss for lands and properties held for trading		**-**	-	**-**	(280,997)
Change in fair value of investment properties		**-**	-	**-**	(1,933,974)
Share of results from an associate		**-**	-	**-**	(474,452)
Selling and marketing expenses		**(37,893)**	(17,059)	**(78,471)**	(89,073)
General and administrative expenses		**(733,297)**	(914,203)	**(2,436,871)**	(2,684,983)
Operating profit		**1,462,640**	661,016	**3,710,919**	20,230
Net (loss) profit of financial assets		**(18,304)**	(15,689)	**(33,361)**	38,931
The effect of reclassification of an associate to financial assets at FVOCI		**-**	172,194	**-**	172,194
Net other (expenses) income	7	**(154,102)**	22,172	**(35,180)**	(899,646)
Amortization of finance costs related to lease liabilities		**(149,435)**	(163,407)	**(458,164)**	(498,728)
Finance costs		**(1,005,847)**	(1,080,453)	**(3,043,238)**	(3,995,213)
Profit (Loss) for the period from Continuing operations		**134,952**	(404,167)	**140,976**	(5,162,232)
Profit (Loss) for the period from Discontinued operations	5	**90,630**	131,358	**291,573**	(58,601)
Profit (Loss) for the period		**225,582**	(272,809)	**432,549**	(5,220,833)
Attributable to:					
Shareholders of the Parent Company		**63,967**	(317,142)	**148,200**	(5,266,738)
Non-controlling interests		**161,615**	44,333	**284,349**	45,905
Profit (Loss) for the period		**225,582**	(272,809)	**432,549**	(5,220,833)
Continuing operations					
Basic loss per share - attributable to shareholders of the parent company – Fils	8	**(0.03)**	(0.69)	**(0.18)**	(8.31)
Diluted loss per share - attributable to shareholders of the parent company – Fils	8	**(0.03)**	(0.69)	**(0.18)**	(8.30)
Discontinued operations					
Basic earnings (loss) per share - attributable to shareholders of the parent company – Fils	8	**0.13**	0.19	**0.42**	(0.08)
Diluted earnings (loss) per share - attributable to shareholders of the parent company – Fils	8	**0.13**	0.19	**0.42**	(0.08)
Total basic earnings (loss) per share - attributable to shareholders of the parent company – Fils	8	**0.10**	(0.50)	**0.24**	(8.39)
Total diluted earnings (loss) per share - attributable to shareholders of the parent company – Fils	8	**0.10**	(0.50)	**0.24**	(8.38)

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	**2021**	2020
Profit (loss) for the period	**225,582**	(272,809)	**432,549**	(5,220,833)
Other comprehensive loss:				
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Share of foreign currency translation adjustments from associate	**-**	(17,058)	**-**	116,638
Foreign currency translation adjustments	**(112,795)**	(1,278,775)	**(1,839,764)**	(1,815,130)
Items that would not be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Share of change in fair value of financial assets through other comprehensive income from associate	**-**	60,960	**-**	61,411
Change in fair value of financial assets through other comprehensive income	**(386,424)**	(47,498)	**(423,972)**	(1,250,121)
Other comprehensive loss for the period from Continuing operations	**(499,219)**	(1,282,371)	**(2,263,736)**	(2,887,202)
Other comprehensive income (loss) for the period from Discontinued operations	**16,953**	(86,254)	**(88,293)**	172,672
Other comprehensive loss for the period	**(482,266)**	(1,368,625)	**(2,352,029)**	(2,714,530)
Total comprehensive loss for the period	**(256,684)**	(1,641,434)	**(1,919,480)**	(7,935,363)
Attributable to:				
Shareholders of the parent company	**(388,497)**	(1,638,992)	**(2,163,314)**	(7,932,988)
Non-controlling interests	**131,813**	(2,442)	**243,834**	(2,375)
	(256,684)	(1,641,434)	**(1,919,480)**	(7,935,363)

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company												
	Share Capital	Share premium	Treasury Shares	Statutory reserve	Fair value reserve	Employees' share option plan	Other Reserves	Foreign currency translation adjustments	Foreign currency translation adjustments associated with assets classified as held for sale	(Accumalated loss) Retained earnings	Sub-total	Non-controlling interests	Total
Balance as at January 1, 2021	68,827,896	21,655,393	(18,819,349)	14,469,647	(4,874,003)	67,830	731,986	(11,259,558)	-	(3,733,833)	67,066,009	12,840,326	79,906,335
Profit for the period	-	-	-	-	-	-	-	-	-	148,200	148,200	284,349	432,549
Other comprehensive loss for the period	-	-	-	-	(350,379)	-	-	(1,961,135)	-	-	(2,311,514)	(40,515)	(2,352,029)
Total comprehensive (loss) income for the period	-	-	-	-	(350,379)	-	-	(1,961,135)	-	148,200	(2,163,314)	243,834	(1,919,480)
Setting off of accumulated losses (Note 11)	-	(3,733,833)	-	-	-	-	-	-	-	3,733,833	-	-	-
Cancelation of treasury shares (Note 11)	(5,871,914)	-	18,625,088	(12,753,174)	-	-	-	-	-	-	-	-	-
Effect of partial disposal of a subsidiary	-	-	-	-	-	-	(4,918)	-	-	-	(4,918)	107,244	102,326
Effect of acquisition of additional shares of a subsidiary	-	-	-	-	-	-	6,716	-	-	-	6,716	226,781	233,497
Effect of consolidating a subsidiary (Note 12)	-	-	-	-	-	-	-	-	-	-	-	320,500	320,500
Transferred to foreign currency translation adjustments relating to assets classified as held for sale	-	-	-	-	-	-	-	38,020	(38,020)	-	-	-	-
Employee share options exercised	-	-	192,484	(124,654)	-	(67,830)	-	-	-	-	-	-	-
Balance as at September 30, 2021	**62,955,982**	**17,921,560**	**(1,777)**	**1,591,819**	**(5,224,382)**	**-**	**733,784**	**(13,182,673)**	**(38,020)**	**148,200**	**64,904,493**	**13,738,685**	**78,643,178**
Balance as at January 1, 2020	68,827,896	21,655,393	(19,288,845)	14,469,647	(3,293,389)	237,109	731,986	(8,472,837)	-	5,020,551	79,887,511	13,088,139	92,975,650
(Loss) profit for the period	-	-	-	-	-	-	-	-	-	(5,266,738)	(5,266,738)	45,905	(5,220,833)
Other comprehensive loss for the period	-	-	-	-	(1,129,208)	-	-	(1,537,042)	-	-	(2,666,250)	(48,280)	(2,714,530)
Total comprehensive loss for the period	-	-	-	-	(1,129,208)	-	-	(1,537,042)	-	(5,266,738)	(7,932,988)	(2,375)	(7,935,363)
Employees' share based payment	-	-	-	-	-	16,956	-	-	-	-	16,956	-	16,956
Employee share options exercised	-	-	469,496	-	-	(191,887)	-	-	-	(277,609)	-	-	-
Balance as at September 30, 2020	68,827,896	21,655,393	(18,819,349)	14,469,647	(4,422,597)	62,178	731,986	(10,009,879)	-	(523,796)	71,971,479	13,085,764	85,057,243

The accompanying notes from (1) to (14) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Notes	For the nine months ended September 30 2021	2020
Cash flows from operating activities:			
Profit (Loss) for the period from Continuing operations		**140,976**	(5,162,232)
Profit (Loss) for the period from Discontinued operations		**291,573**	(58,601)
Profit (Loss) for the period		**432,549**	(5,220,833)
Adjustments for:			
Net allowance for expected credit losses		**136,586**	2,226,558
Impairment loss on properties held for trading		**-**	280,997
Net loss (profit) of financial assets		**33,361**	(38,931)
Share of results from an associate		**-**	474,452
The effect of reclassification of an associate to financial assets at FVTOCI		**-**	(172,194)
Change in fair value of investment properties		**-**	2,068,356
Finance income		**(12,443)**	(83,490)
Depreciation		**98,238**	128,251
Amortization of finance costs related to lease liabilities		**458,164**	498,728
Finance costs		**3,043,238**	3,995,213
Gain on sale of property, plant and equipment		**(45,068)**	-
Provision for employees' stock option plan		**-**	16,956
Provision for employees' end of service benefits		**147,950**	143,683
		4,292,575	4,317,746
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**2,489,250**	706,300
Inventory		**(33,088)**	-
Properties held for trading		**426,581**	5,858,531
Accounts payable and other credit balances		**(1,825,814)**	(2,800,644)
Advances from customers		**(214,041)**	(161,510)
Cash flows generated from operations		**5,135,463**	7,920,423
Employees' end of service benefits paid		**(13,778)**	(31,300)
Net cash flows generated from operating activities		**5,121,685**	7,889,123
Cash flows from investing activities:			
Net movement in restricted cash balances		**87,428**	2,394,358
Paid for property, plant and equipment		**(387,932)**	(35,727)
Proceeds from sale of property, plant and equipment		**171,335**	-
Paid for investment properties		**(271,860)**	(413,098)
Proceeds from sale of investment property		**850,000**	-
Paid for establishment of a subsidiary		**(250,000)**	-
Proceeds from partial disposal of a subsidiary		**102,326**	-
Effect of acquisition of additional shares of a subsidiary		**233,497**	-
Finance income received		**12,443**	83,490
Dividend received		**-**	85,050
Net cash flows generated from investing activities		**547,237**	2,114,073
Cash flows from financing activities:			
Net movement in term loans		**-**	(1,754,297)
Net movement in Islamic bank facilities		**(1,264,579)**	1,378,586
Lease liabilities paid		**(1,515,000)**	(1,430,000)
Finance costs paid		**(3,953,359)**	(2,715,190)
Net cash flows used in financing activities		**(6,732,938)**	(4,520,901)
Net (Decrease) increase in cash and cash equivalent		**(1,064,016)**	5,482,295
Cash related to established subsidiary		**500,000**	-
Cash on hand and at banks associated with assets classified as held for sale (Note 5)		**(190,720)**	-
Foreign currency translation adjustments		**(252,448)**	(278,332)
Cash and cash equivalent at the beginning of the period (Note 3)		**6,389,737**	6,984,204
Cash and cash equivalent at the end of the period (Note 3)		**5,382,553**	12,188,167

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

Al Mazaya Holding Company "The Parent Company" is a Kuwaiti (Public) shareholding company listed on Kuwait Boursa and Dubai Financial Market and registered in the State of Kuwait, and was incorporated based on Memorandum of Incorporation under Ref. No. 3501 / Volume 1 dated November 7, 1998 and its subsequent amendments, the latest of which was notarized in the commercial registry No. 75203 pursuant to a memo issued from shareholding companies department dated June 8, 2021 (Note 11).

The Parent Company's main activities based on the Articles of Association are as follows:
Ownership of Kuwaiti and foreign shareholding companies, ownership of shares and portions of limited liability Kuwaiti and foreign companies or participating in the formation of those companies, as well as managing and guaranteeing those companies, granting loans to the companies in which it owns shares in and guaranteeing them towards others, provided that the percentage of participation of the holding company in the capital of the borrowing company is not less than 20%, ownership of industrial property rights including intellectual rights, trade marks, industrial marks, industrial fees or any other rights relating to such assets and leasing them to other companies to utilize them whether inside or outside the state of Kuwait, ownership of the movable assets and real properties needed to operate within the applicable laws, utilization of its available financial surpluses by investing them in financial real estate portfolios managed by specialized companies.

The Parent Company has the right to practice its aforementioned objectives inside the State of Kuwait and abroad for itself or as agent or representative to other, the Parent Company has the right as well to have interest or to participate with entities that practice similar operations or assist the Parent Company in achieving its objectives inside and outside Kuwait, and such it has the right to establish, form partnership, purchase or merge with those entities.

The Parent Company's registered address is P.O. Box 3546, Safat 13036, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on November 10, 2021.

2. Basis of presentation

The interim condensed consolidated financial information 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 for the period are consistent with those used in the preparation of the annual financial statements for the fiscal year ended December 31, 2020.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended September 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2020.

3. Cash and cash equivalent

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Cash in hand and at banks	**4,983,917**	5,078,529	3,712,112
Short term bank deposit (a)	**1,000,000**	2,000,000	9,000,000
	5,983,917	7,078,529	12,712,112
Less: Restricted bank balances (b)	**(601,364)**	(688,792)	(523,945)
Cash and cash equivalent in consolidation statement of cash flow	**5,382,553**	6,389,737	12,188,167

a) The average effective annual return on short term bank deposits is 0.91% (December 31, 2020 – 0.875%, September 30, 2020 – from 1% to 1.125%) per annum. This deposit has contractual maturity of 30 days.

b) Restricted bank balances represent escrow accounts restricted for receiving and making payments for specific construction activities and as collateral for some bank facilities of the Group, which may not be available for use within 90 days.

4. Accounts receivable and other debit balance

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Trade receivables	**7,313,616**	11,077,074	12,000,118
Advance payments and other receivables	**11,855,354**	12,026,045	12,436,415
	19,168,970	23,103,119	24,436,533
Allowance for expected credit losses	**(11,316,383)**	(12,255,245)	(12,692,018)
	7,852,587	10,847,874	11,744,515

5. Assets classified as held for sale

On September 23, 2021, the Board of Directors of a subsidiary to the Group approved the disposal of all the shares of its subsidiary in the Kingdom of Saudi Arabia (Kuwaiti Saudi Real Estate Investment Company – O.P.C.) aginst cash and in-kind consideration with a net amount of 15,500,000 Kuwaiti dinars .The assets and liabilities attributable to the subsidiary, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

The major items of assets and liabilities comprising the subsidiary under disposal which are classified as held for sale are as follows :

	September 30, 2021
Assets :	
Cash on hand and at banks	**190,720**
Accounts receivable and other debit balances	**78,759**
Investment properties	**15,147,366**
Total Assets classified as held for sale	**15,416,845**
Liabilities :	
Accounts payable and other credit balances	**278,201**
Provision for end of service indemnity	**2,602**
Total liabilities associated with assets classified as held for sale	**280,803**
Net assets classified as held for sale	**15,136,042**

The results of operation related to the subsidiary under disposal for the period from January 1 ,2021 to September 30, 2021 which are included in the Discontinued operations are as follows :

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	**2021**	2020
Revenue:				
Rental income	**133,338**	198,699	**447,801**	635,954
Net management fees and commission income	**5,571**	18,134	**9,692**	39,924
Total revenue	**138,909**	216,833	**457,493**	675,878
Costs:				
Cost of rental	**(44,051)**	(37,483)	**(115,257)**	(112,768)
Total Costs	**(44,051)**	(37,483)	**(115,257)**	(112,768)
Gross profit	**94,858**	179,350	**342,236**	563,110
Change in fair value of investment properties	**-**	-	**-**	(134,382)
Administrative and marketing expenses	**(1,854)**	(3,370)	**(9,760)**	(6,654)
Operating profit	**93,004**	175,980	**332,476**	422,074
Net other expenses	**(2,374)**	(44,622)	**(40,903)**	(480,675)
Profit (Loss) for the period from Discontinued operations	**90,630**	131,358	**291,573**	(58,601)

6. Treasury shares

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Number of shares	**5,600**	59,331,584	59,331,584
Percentage of issued shares (%)	**0.001**	8.62	8.62
Market value (KD)	**426**	3,370,034	3,215,772
Cost (KD)	**1,777**	18,819,349	18,819,349

The Parent Company’s management had partially earmarked an amount equivalent to the balance of treasury shares as on September 30, 2021 from the Share Premium as non-distributable during the period of the group's holding of the treasury shares.

The group canceled 58,719,140 shares from the treasury shares balance by reducing the capital and statutory reserve (note 11) .

7. Net other (expenses) income

The comparative financial period for the nine months ended September 30, 2020, includes amounts related to a lawsuit filed by two subsidiaries of the group in the United Arab Emirates against some investors for the development of real estate projects in the Emirate of Dubai in the United Arab Emirates. The Group had recognized a provision during that period amounting to AED 14,793,394 (equivalent to KD 1,231,430) in order to complete the recognition of full provision for all the balances reported in its records pertaining to that claim for conservatism purposes and not in surrender to the Group's rights in those balances reported in its records. During the period ending on September 30, 2021, the Court of Cassation ruled its verdict confirming the ruling of the Court of Appeal which previously confirmed the ruling of the Court of First Instance in favor of the two subsidiaries of the group entitling them to a total amounting to AED 19,780,852 (equivalent to KD 1,625,687) in addition to the legal interest at the rate of 9% from the date of the judicial claim until the full payment. Implementation procedures for this ruling are currently in process by the two subsidiaries. The group did not reverse any provision previously recorded against this case for conservatism purposes till the implemation of that verdict and receiving the ruled amounts in favor of the Group.

8. Basic and diluted earnings (loss) per share

Basic earnings (loss) per share:

The information necessary to calculate basic earnings (loss) per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	**2021**	2020
Loss for the period attributable to equity holders of the Parent Company from Continuing operations	**(17,402)**	(435,243)	**(113,832)**	(5,214,051)
Profit (Loss) for the period attributable to equity holders of the Parent Company from Discontinued operations	**81,369**	118,101	**262,032**	(52,687)
Profit (Loss) for the period attributable to equity holders of the Parent Company	**63,967**	(317,142)	**148,200**	(5,266,738)
Number of shares outstanding:				
Number of issued shares at beginning of the period	**688,278,956**	688,278,956	**688,278,956**	688,278,956
Less: Weighted average number of treasury shares including decrease of capital	**(58,724,740)**	(59,637,269)	**(58,800,596)**	(60,417,393)
Weighted average number of shares outstanding	**629,554,216**	628,641,687	**629,478,360**	627,861,563
Basic loss per share attributable to shareholders of the Parent Company from Continuing operations - Fils	**(0.03)**	(0.69)	**(0.18)**	(8.31)
Basic earnings (loss) per share attributable to shareholders of the Parent Company from Discontinued operations - Fils	**0.13**	0.19	**0.42**	(0.08)
Total basis earnings (loss) per share attributable to shareholders of the Parent Company - Fils	**0.10**	(0.50)	**0.24**	(8.39)

Diluted earnings (loss) per share:
Diluted earnings (loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume allotment of all dilutive potential ordinary shares, and to adjust the profit (loss) for the period with the assumed effect of those potential dilutive shares had they been issued.

The information necessary to calculate diluted earnings (loss) per share are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	**2021**	2020
Loss for the period attributable to equity holders of the Parent Company from Continuing operations	**(17,402)**	(435,243)	**(113,832)**	(5,214,051)
Profit (Loss) for the period attributable to equity holders of the Parent Company from Discontinued operations	**81,369**	118,101	**262,032**	(52,687)
Profit (Loss) for the period attributable to equity holders of the Parent Company	**63,967**	(317,142)	**148,200**	(5,266,738)
Weighted average shares adjusted for dilution effect:				
Weighted average number of shares outstanding used in calculating basic earnings per share	**629,554,216**	628,641,687	**629,478,360**	627,861,563
Adjustment for share options	**-**	606,843	**-**	606,843
Weighted average number of shares for diluted earnings per share	**629,554,216**	629,248,530	**629,478,360**	628,468,406
Diluted loss per share attributable to shareholders of the Parent Company from Continuing operations - Fils	**(0.03)**	(0.69)	**(0.18)**	(8.30)
Diluted earnings (loss) per share attributable to shareholders of the Parent Company from Discontinued operations - Fils	**0.13**	0.19	**0.42**	(0.08)
Total diluted earnings (loss) per share attributable to shareholders of the Parent Company – Fils	**0.10**	(0.50)	**0.24**	(8.38)

9. Related party disclosures

The Group has entered into various transactions with related parties, i.e. key management personnel, entities under common control and other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position:

	Key management personnel	**September 30, 2021**	December 31, 2020 (Audited)	September 30, 2020
Accounts receivable and other debit balances	1,226	**1,226**	140,371	904
Accounts payable and other credit balances	176,768	**176,768**	90,000	-
Lease liabilities (a)	3,663,450	**3,663,450**	3,973,687	4,014,965

(a) The amounts recognized for this lease liability as of September 30, 2021 that compose part of the Groups' consolidated lease liabilities can be presented as follows:

	For the nine months ended September 30,	
	2021	2020
Lease liability within one year	**540,000**	540,000
Remaining liability till end of lease term	**3,888,000**	4,428,000
Total lease liability	**4,428,000**	4,968,000
Less: Unamortized future finance charge	**(764,550)**	(953,035)
Present value of minimum lease payments	**3,663,450**	4,014,965

Amounts due from / to related parties are interest free and are receivable or payable on demand.

Certain key management personnel and their reltaives have 50% ownership interest in Med Cell Medical Company K.S.C.C (a subsidiary to the Group) – (Note 12)

Transactions included in the interim condensed consolidated statement of profit or loss:

	Key management personnel	For the nine months ended September 30,	
		2021	2020
Rental income	3,590	**3,590**	-
Amortization of finance costs related to lease liabilities	(139,763)	**(139,763)**	(152,029)

Compensation to key management personnel:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	**2021**	2020
Short term benefits	**137,928**	155,900	**413,786**	467,698
Terminal benefits	**14,662**	16,251	**43,987**	48,753
	152,590	172,151	**457,773**	516,451

During the period ended September 30, 2021, the Parent Company has recognized an expense amounting to KD Zero (September 30, 2020 - KD 16,956) relating to equity-settled share-based payment transactions to its employees. During the period ended September 30, 2021, some employees exercised their share options with 606,844 shares. Those shares were issued from treasury shares held with the Group against closing the entire balance of the employee stock options reserve and part of the statutory reserve, in accordance with the instructions of the Capital Markets Authority.

10. Segment information

For management purposes, the Group is divided into geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), Turkey and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Nine month period ended September 30, 2021						Nine month period ended September 30, 2020					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Segment revenue from Continuing operations	**7,358,771**	**1,504,111**	**-**	**155,394**	**453,795**	**9,472,071**	4,084,951	9,461,662	-	1,782,473	500,568	15,829,654
Segment revenue from Discontinued operations	**-**	**-**	**457,493**	-	**-**	**457,493**	-	-	675,878	-	-	675,878
Segment (loss) profit from Continuing operations	**(209,216)**	**404,569**	**(1,094)**	**(14,472)**	**(38,811)**	**140,976**	(3,058,933)	(325,400)	-	(1,316,431)	(461,468)	(5,162,232)
Segment profit (loss) from Discontinued operations	**-**	**-**	**291,573**	**-**	**-**	**291,573**	-	-	(58,601)	-	-	(58,601)

	As at September 30, 2021						As at September 30, 2020					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	**90,268,696**	**73,133,648**	**15,424,901**	**7,648,847**	**15,573,698**	**202,049,790**	99,073,534	77,020,915	15,896,593	9,855,287	16,512,409	218,358,738
Total segment liabilities	**110,537,510**	**7,664,656**	**281,875**	**189,878**	**4,732,693**	**123,406,612**	112,868,803	9,810,251	307,019	5,556,773	4,758,649	133,301,495

	As at December 31, 2020 (Audited)					
	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	91,030,766	75,958,344	15,467,165	9,445,488	15,881,789	207,783,552
Total segment liabilities	112,538,666	10,019,593	282,755	295,569	4,740,634	127,877,217

11. Annual General Assembly

The Annual Shareholders' General Assembly Meeting held on February 22, 2021 had approved the consolidated financial statements of the Group for the year ended December 31, 2020, and approved the following items:

- Not to distribute cash dividend or bonus share and not to pay Board of Directors remuneration for the year ended December 31, 2020.
- To offset the entire accumulated loss balance amounted to KD 3,733,833 representing 5.42% from share capital as at December 31, 2020 against reducing the balance of the share premium from KD 21,655,393 to KD 17,921,560.

The Annual General Meeting of the Shareholders held on February 20, 2020, had approved the consolidated financial statements of the Group for the year ended December 31, 2019, and not to distribute cash dividend or bonus share and not to pay Board of Directors remuneration for the year ended December 31, 2019.

During the period ended September 30, 2021, the Extraordinary Shareholdedrs' General Assembly of the Parent Company, held on April 25, 2021, had approved the cancellation of 58,719,140 shares representing the direct treasury shares that amounts to KD 18,625,088, by reducing the capital of the Parent Company from KD 68,827,896 to KD 62,955,982, which is equivalent to the nominal value of direct treasury shares that amounts to KD 5,871,914 in addition to the reduction of the statutory reserve by KD 12,753,174. This transction was notarized in the Parnet Company's commercial registry on June 8, 2021.

12. Establishment and consolidating of a subsidiary

During the period ended September 30, 2021, The Group has completed the establishment of a medical subsidiary and consolidating it in the consolidated financial statements, detailed as follows:

Name of subsidiary	Country of incorporation	Principal activities	Percentage of ownership
Med Cell medical company – K.S.C.C. (a)	Kuwait	Medical services	**50%**

(a) The Parent Company has consolidated the financial statements for this subsidiary as the Parent Company is represented by the majority of the subsidiary's board of directors members, which qualifies the Parent Company to have a control over this new subsidiary.

13. Fair value measurement

The Group measures financial assets such as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as investment properties at fair value at the end of the financial peroid.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

	September 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	-	-	**376,328**	**376,328**
Financial assets at fair value through other comprehensive income	-	**1,467,534**	**9,248,440**	**10,715,974**
Investment properties	-	**47,006,849**	**104,415,322**	**151,422,171**
Investment properties included in assets classified as held for sale	-	-	**15,147,366**	**15,147,366**
	-	**48,474,383**	**129,187,456**	**177,661,839**

	December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	-	372,616	372,616
Financial assets at fair value through other comprehensive income	-	1,259,696	9,880,250	11,139,946
Investment properties	-	49,212,941	119,593,655	168,806,596
	-	50,472,637	129,846,521	180,319,158

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	38,517	-	702,575	741,092
Financial assets at fair value through other comprehensive income	-	-	11,601,130	11,601,130
Investment properties	-	27,701,988	143,468,616	171,170,604
	38,517	27,701,988	155,772,321	183,512,826

No transfers were made between Level 1, Level 2 and Level 3 during the period.

14. Significant Impact of COVID-19

The recent outbreak of the coronavirus (“COVID-19”) across various geographies globally since end of year 2019 up till now, which was declared a pandemic by the World Health Organization, has caused disruption to business and economic activities. The fiscal and monetary authorities around the world, including Kuwait, have announced various support measures to counter the possible adverse implications of COVID-19. The Group has taken several measures to manage its risk associated with the pandemic, including identification of the most vulnerable sectors primarily affected and placing added measures to ensure a high level of scrutiny. The uncertainties caused by COVID-19 required the Group to consider the impact of volatility in the forward-looking macro-economic factors in order to manage the credit risk and liquidity risk and to determine the impact of COVID-19 consequences on the fair value measurement of financial and non-financial instruments in order to reflect that impact in the consolidated financial statements since the pandemic outbreak and till the accompanied interim consolidated financial information date.

The Group has performed an assessment on its ability to continue as a going concern considering current economic conditions and all available information about future risks and uncertainties. The projections have been prepared to cover the Group's future performance, capital and liquidity requirements. The impact of COVID-19 may continue to evolve, but currently, the projections show that the Group has the required resources to continue in operations on a going concern, such position that remains significantly unaffected and unchanged since December 31, 2020. As a result, those interim consolidated financial information have been prepared on a going concern basis.

The Group had concluded that no material adjustments are required for liabilities and other assets as of the accompanied interim consolidated financial information. The management will need to carefully consider the measurement and recognition requirements for impairment losses on the Group's assets in the future, as the extent and duration of the economic impact of those events remains uncertain, since it depends on future developments that cannot be accurately predicted at this time, such as the rate of virus spread, the effectiveness of the containment measures taken and the trends and effectiveness of approved vaccinations by governmental authorities across the world. Given the ongoing uncertainty for the related economic impact, a reliable estimate of the impact cannot be currently made, but it may affect financial statements in future periods. The impact's magnitude and amount may vary according to the extent and period during which those events are expected to end along with their effects.