AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2022
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

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AND ITS SUBSIDIARIES
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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, 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 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, 2022 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 for the period ended September 30, 2022 that might have had a material effect on the Group's financial position or results of its operations.

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

State of Kuwait
October 30, 2022

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2022
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
ASSETS				
Current assets:				
Cash and cash equivalent	3	**6,015,609**	7,088,750	5,983,917
Financial assets at fair value through profit or loss		**351,866**	394,447	376,328
Accounts receivable and other debit balances		**5,855,530**	9,308,261	7,852,587
Inventories		**2,015**	40,423	33,088
Properties held for trading		**5,660,104**	6,228,182	6,808,525
Assets classified as held for sale	4	**15,853,030**	15,418,192	15,416,845
Total current assets		**33,738,154**	38,478,255	36,471,290
Non-current assets:				
Financial assets at fair value through other comprehensive income		**9,211,766**	10,368,995	10,715,974
Investment in an associate	5	**259,117**	-	-
Property, plant and equipment		**1,845,225**	2,727,891	1,186,145
Investment properties	6	**172,872,929**	145,928,412	151,422,171
Goodwill		**2,254,210**	2,254,210	2,254,210
Total non-current assets		**186,443,247**	161,279,508	165,578,500
Total assets		**220,181,401**	199,757,763	202,049,790
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and other credit balances	4	**11,610,898**	7,012,011	6,357,349
Advances from customers		**161,035**	70,285	263,643
Lease liabilities	6	**1,202,100**	1,372,613	1,357,760
Islamic bank facilities		**5,596,205**	6,144,020	6,136,455
Liabilities relating to assets classified as held for sale	4	**238,530**	262,922	280,803
Total current liabilities		**18,808,768**	14,861,851	14,396,010
Non-current liabilities:				
Accounts payable and other credit balances	4	**3,384,911**	5,924,370	6,033,644
Lease liabilities	6	**25,460,506**	10,530,275	10,655,064
Islamic bank facilities		**92,680,056**	90,322,099	90,573,669
Employees' end of service benefits		**1,794,921**	1,763,436	1,748,225
Total non-current liabilities		**123,320,394**	108,540,180	109,010,602
Total liabilities		**142,129,162**	123,402,031	123,406,612
Equity:				
Share capital		**62,955,982**	62,955,982	62,955,982
Share premium		**17,921,560**	17,921,560	17,921,560
Treasury shares	7	**(1,777)**	(1,777)	(1,777)
Statutory reserve		**1,632,430**	1,632,430	1,591,819
Fair value reserve		**(6,664,817)**	(5,582,249)	(5,224,382)
Other reserves		**463,988**	573,614	733,784
Foreign currency translation adjustments		**(16,528,110)**	(15,898,912)	(13,182,673)
Foreign currency translation adjustments associated with assets classified as held for sale		**382,636**	(7,317)	(38,020)
Retained earnings		**2,519,878**	365,497	148,200
Equity attributable to shareholders of Parent Company		**62,681,770**	61,958,828	64,904,493
Non-controlling interests		**15,370,469**	14,396,904	13,738,685
Total equity		**78,052,239**	76,355,732	78,643,178
Total liabilities and equity		**220,181,401**	199,757,763	202,049,790

The accompanying notes (1) to (15) 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 FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2022
(All amounts are in Kuwaiti Dinars)

		For the three months ended September 30,		For the nine months ended September 30,	
	Note	**2022**	2021	**2022**	2021
Continuing operations:					
Revenue:					
Revenue from sale of properties held for trading		**286,525**	-	**857,754**	410,786
Rental income		**2,689,956**	2,408,351	**7,818,784**	7,041,132
Medical services income		**360,377**	951,146	**1,523,904**	1,793,310
Net management fees and commission income		**93,560**	76,621	**229,623**	226,843
Total revenue		**3,430,418**	3,436,118	**10,430,065**	9,472,071
Costs:					
Cost of sale of properties held for trading		**(307,916)**	-	**(777,200)**	(400,327)
Cost of rental		**(487,947)**	(461,059)	**(1,447,355)**	(1,514,620)
Cost of medical services		**(354,596)**	(741,229)	**(1,286,702)**	(1,330,863)
Total costs		**(1,150,459)**	(1,202,288)	**(3,511,257)**	(3,245,810)
Gross profit		**2,279,959**	2,233,830	**6,918,808**	6,226,261
Share of results from an associate	5	**8,743**	-	**19,117**	-
Selling and marketing expenses		**(21,774)**	(37,893)	**(93,955)**	(78,471)
General and administrative expenses		**(806,683)**	(721,776)	**(2,424,070)**	(2,368,254)
Depreciation		**(32,396)**	(11,521)	**(147,235)**	(68,617)
Operating profit		**1,427,849**	1,462,640	**4,272,665**	3,710,919
Gain on disposal of a subsidiary	5	**-**	-	**464,435**	-
Loss on sale of investment properties		**(259,619)**	-	**(259,619)**	-
Net monetary gain	8	**130,694**	-	**301,699**	-
Net profit (loss) of financial assets		**42,195**	(18,304)	**49,936**	(33,361)
Net other income (expenses)	9	**158,735**	(154,102)	**(267,399)**	(35,180)
Amortization of finance costs related to lease liabilities		**(286,917)**	(149,435)	**(662,269)**	(458,164)
Finance costs		**(1,087,879)**	(1,005,847)	**(3,263,061)**	(3,043,238)
Profit for the period from continuing operations		**125,058**	134,952	**636,387**	140,976
Discontinuing operations:					
Profit for the period from discontinued operations		**171,594**	90,630	**430,691**	291,573
Profit for the period		**296,652**	225,582	**1,067,078**	432,549
Attributable to:					
Shareholders of the Parent Company		**208,660**	63,967	**580,198**	148,200
Non-controlling interests		**87,992**	161,615	**486,880**	284,349
Profit for the period		**296,652**	225,582	**1,067,078**	432,549
Continuing operations:					
Basic and diluted earnings (loss) per share attributable to the shareholders of the Parent Company (Fils)	10	**0.09**	(0.03)	**0.31**	(0.18)
Discontinued operations:					
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	10	**0.24**	0.13	**0.61**	0.42
Total Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	10	**0.33**	0.10	**0.92**	0.24

The accompanying notes (1) to (15) 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, 2022
(All amounts are in Kuwaiti Dinars)

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	**2022**	2021
Profit for the period	**296,652**	225,582	**1,067,078**	432,549
Other comprehensive loss from continuing operations:				
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Foreign currency translation adjustments	**245,252**	(114,724)	**(488,926)**	(1,829,853)
Items that would not be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Change in fair value of financial assets through other comprehensive income	**(253,663)**	(386,424)	**(1,157,229)**	(423,972)
Other comprehensive loss for the period from continuing operations	**(8,411)**	(501,148)	**(1,646,155)**	(2,253,825)
Other comprehensive income (loss) from discontinuing operations:				
Other comprehensive income (loss) for the period from discontinued operations	**171,828**	18,882	**438,929**	(98,204)
Total other comprehensive income (loss) for the period	**163,417**	(482,266)	**(1,207,226)**	(2,352,029)
Total comprehensive income (loss) for the period	**460,069**	(256,684)	**(140,148)**	(1,919,480)
Attributable to:				
Shareholders of the parent company	**300,740**	(388,497)	**(741,615)**	(2,163,314)
Non-controlling interests	**159,329**	131,813	**601,467**	243,834
	460,069	(256,684)	**(140,148)**	(1,919,480)
Total comprehensive income (loss) for the period attributable to shareholders of the Parent Company:				
Continuing operations	**(4,337)**	(486,819)	**(1,514,137)**	(2,336,924)
Discontinued operations	**305,077**	98,322	**772,522**	173,610
	300,740	(388,497)	**(741,615)**	(2,163,314)

The accompanying notes (1) to (15) 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, 2022
(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 currencies translation adjustments	Foreign currency translation adjustments associated with assets classified as held for sale	Retained earnings (Accumulated loss)	Sub-total	Non-controlling interests	Total
Balance as at January 1, 2022	62,955,982	17,921,560	(1,777)	1,632,430	(5,582,249)	-	573,614	(15,898,912)	(7,317)	365,497	61,958,828	14,396,904	76,355,732
Profit for the period	-	-	-	-	-	-	-	-	-	580,198	580,198	486,880	1,067,078
Other comprehensive (loss) income for the period	-	-	-	-	(1,082,568)	-	-	(629,198)	389,953	-	(1,321,813)	114,587	(1,207,226)
Total comprehensive (loss) income for the period	-	-	-	-	(1,082,568)	-	-	(629,198)	389,953	580,198	(741,615)	601,467	(140,148)
Effect of hyperinflation on a subsidiary (Note 8)	-	-	-	-	-	-	-	-	-	1,574,183	1,574,183	-	1,574,183
Effect of partial disposal of a subsidiary	-	-	-	-	-	-	(109,626)	-	-	-	(109,626)	415,989	306,363
Effect of disposal of a subsidiary (Note 5)	-	-	-	-	-	-	-	-	-	-	-	(43,891)	(43,891)
Balance as at September 30, 2022	**62,955,982**	**17,921,560**	**(1,777)**	**1,632,430**	**(6,664,817)**	**-**	**463,988**	**(16,528,110)**	**382,636**	**2,519,878**	**62,681,770**	**15,370,469**	**78,052,239**
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 accumulated losses (Note 13)	-	(3,733,833)	-	-	-	-	-	-	-	3,733,833	-	-	-
Cancelation of treasury shares (Note 13)	(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	-	-	-	-	-	-	-	-	-	-	-	320,500	320,500
Foreign currency translation adjustments associated with assets classified as held for sale	-	-	-	-	-	-	-	38,020	(38,020)	-	-	-	-
Employees' 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

The accompanying notes (1) to (15) 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, 2022
(All amounts are in Kuwaiti Dinars)

	For the nine months ended September 30	
	2022	2021
Cash flows from operating activities:		
Profit for the period for continuing operations	**636,387**	140,976
Profit for the period for discontinued operations	**430,691**	291,573
Profit for the period	**1,067,078**	432,549
Adjustments for:		
Net allowance for expected credit losses (No longer required) charged	**(152,688)**	136,586
Net (profit) loss of financial assets	**(49,936)**	33,361
Share of results from an associate	**(19,117)**	-
Finance income	**-**	(12,443)
Depreciation	**228,367**	98,238
Amortization of finance costs related to lease liabilities	**662,269**	458,164
Finance costs	**3,263,061**	3,043,238
Gain on sale of property, plant and equipment	**-**	(45,068)
Gain on disposal of a subsidiary	**(464,435)**	-
Loss on sale of investment properties	**259,619**	-
Net monetary gain	**(301,699)**	-
Provision for employees' end of service benefits	**161,977**	147,950
	4,654,496	4,292,575
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	**3,738,605**	2,489,250
Inventories	**38,220**	(33,088)
Properties held for trading	**708,457**	426,581
Accounts payable and other credit balances	**(1,605,042)**	(1,825,814)
Advances from customers	**83,171**	(214,041)
Cash flows generated from operations	**7,617,907**	5,135,463
Employees' end of service benefits paid	**(130,728)**	(13,778)
Net cash flows generated from operating activities	**7,487,179**	5,121,685
Cash flows from investing activities:		
Net movement in restricted cash balances	**95,094**	87,428
Net movement in assets/ liabilities held for sale	**(275,708)**	-
Paid for purchase of property, plant and equipment	**(452,928)**	(387,932)
Proceeds from sale of property, plant and equipment	**-**	171,335
Paid for investment properties	**(259,101)**	(271,860)
Proceeds from sale of investment properties	**1,034,113**	850,000
Paid for establishment of a subsidiary	**-**	(250,000)
Proceeds from partial disposal of a subsidiary	**306,363**	102,326
Proceed from disposal of a subsidiary	**200,000**	-
Effect of acquisition additional shares of a subsidiary	**-**	233,497
Finance income received	**-**	12,443
Dividend received	**127,025**	-
Net cash flows generated from investing activities	**774,858**	547,237
Cash flows from financing activities:		
Net movement in Islamic bank facilities	**(4,369,533)**	(1,264,579)
Lease liabilities paid	**(1,685,118)**	(1,515,000)
Finance costs paid	**(3,154,413)**	(3,953,359)
Net cash flows used in financing activities	**(9,209,064)**	(6,732,938)

	For the nine months ended September 30	
	2022	2021
Net decrease in cash and cash equivalent	**(947,027)**	(1,064,016)
Cash related to established subsidiary	**-**	500,000
Cash on hand and at banks related to assets held for sale (Note 4)	**(183,522)**	(190,720)
Cash on hand and at banks related to the disposed subsidiary (Note 5)	**(139,269)**	-
Foreign currency translation adjustments	**291,771**	(252,448)
Cash and cash equivalent at the beginning of the period (Note 3)	**6,412,811**	6,389,737
Cash and cash equivalent at the end of the period (Note 3)	**5,434,764**	5,382,553
Non-cash transactions:		
Accounts receivable and other debit balances	**(200,000)**	-
Property, plant and equipment	**(215,152)**	(675,000)
Investment properties	**(25,907,567)**	-
Accounts payable and other credit balances	**4,340,152**	675,000
Islamic bank facilities	**6,000,000**	-
Lease liabilities	**15,782,567**	-
Disposal of a subsidiary	**200,000**	-
	-	-

The accompanying notes (1) to (15) 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 dated June 8, 2021 according to which the reduction of the Parent Company's capital was notarized (Note 13).

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 October 30, 2022.

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, 2021.

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 2022, 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, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2021.

3. Cash and cash equivalent

	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
Cash on hand and at banks	**6,015,609**	6,088,750	4,983,917
Short term bank deposits	**-**	1,000,000	1,000,000
	6,015,609	7,088,750	5,983,917
Less: Restricted bank balances (a)	**(580,845)**	(675,939)	(601,364)
Cash and cash equivalent in consolidation statement of cash flow	**5,434,764**	6,412,811	5,382,553

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

4. Assets and liabilities held for sale

During the year ended December 31, 2021, the Board of Directors of First Dubai Real Estate Development Company K.S.C. (Public) (subsidiary) 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.) against cash and in-kind consideration with a net amount of KD 15,500,000. The assets and liabilities attributable to the subsidiary, have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

During the period ended September 30, 2022, that transaction was partially executed by transferring part of the in-kind consideration to First Dubai Real Estate Development Company - K.S.C. (Public) (a subsidiary) by transferring investment properties amounting to KD 10,125,000 (Note 6) along with an attached mortgage in favor of a local bank for an amount of KD 6,000,000, which was included within the Islamic banking facilities of the Group. That had resulted in an obligation of KD 4,125,000 which was recorded under the creditors and other credit balances till the completion of the remaining transaction terms by both parties and recording the full financial impact in the consolidated financial statements at that time. The remaining terms of that transaction are currently under execution by both parties who remain committed to the completion of this transaction.

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

	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
Assets:			
Cash in hand and at banks	**183,522**	261,695	190,720
Accounts receivable and other debit balances	**152,050**	4,734	78,759
Investment properties	**15,517,458**	15,151,763	15,147,366
Total assets classified as held for sale	**15,853,030**	15,418,192	15,416,845
Liabilities:			
Accounts payable and other credit balances	**234,702**	260,030	278,201
Employees' end of service benefits	**3,828**	2,892	2,602
Liabilities relating to assets classified as held for sale	**238,530**	262,922	280,803
Net assets classified as held for sale	**15,614,500**	15,155,270	15,136,042

The results of operation related to the subsidiary under disposal for the period are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue:				
Rental income	**189,830**	133,338	**560,331**	447,801
Net management fees and commission income	**10,584**	5,571	**30,495**	9,692
Total revenue	**200,414**	138,909	**590,826**	457,493
Costs:				
Cost of rent	**(28,641)**	(44,051)	**(139,485)**	(115,257)
Total costs	**(28,641)**	(44,051)	**(139,485)**	(115,257)
Gross profit	**171,773**	94,858	**451,341**	342,236
General and administrative expenses	**(408)**	(1,854)	**(18,755)**	(9,760)
Operating profit	**171,365**	93,004	**432,586**	332,476
Net other income (expenses)	**229**	(2,374)	**(1,895)**	(40,903)
Profit for the period from discontinued operations	**171,594**	90,630	**430,691**	291,573

5. Investment in associate

During the period ended on September 30, 2022, The Group had disposed 50 shares from a total of 80 shares owned by one of it's subsidiaries in Med White - Images - Joint Venture (former subsidiary) for an amount of KD 400,000.

The Group's share in the associate (Med white - Images - Joint Venture) is 30% as of September 30, 2022. The Group had also appointed a director from the Company's board of directors that allows the Group to have a significant influence over this associate.

Analysis of disposed assets and liabilities:

	Med White - Images
Assets:	
Cash on hand and at banks	139,269
Accounts receivable and other debit balances	79,748
Inventories	188
Property and equipment	763,690
Total assets	982,895
Liabilities:	
Accounts payable and other credit balances	763,439
Total liabilities	763,439
Net assets	**219,456**

Gain on disposal of subsidiary:

	Med White – Images
Total consideration	**400,000**
Add: Fair value of investment retained in associate	**240,000**
Add: Non-controlling interest	**43,891**
Less: Net Assets disposed off	**(219,456)**
Gain on disposal of subsidiary	**464,435**

The movement on investment in associate during the period / year is as follows:

	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
Fair value of investment retained in associate	**240,000**	-	-
Share of results from an associate	**19,117**	-	-
Balance at the end of the period / year	**259,117**	-	-

6. Investment properties

The movement during the period / year is as follows:

	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
Balance at the beginning of the period / year	**145,928,412**	168,806,596	168,806,596
Additions (a)	**26,166,668**	342,486	271,860
Reclassification to assets classified as held for sale	**-**	(15,232,258)	(15,147,366)
Transfer from (to) property, plant and equipment	**592,885**	(1,499,155)	-
Disposals	**(1,293,732)**	(850,000)	(850,000)
Change in fair value	**-**	(1,554,122)	-
Effect of hyperinflation on a subsidiary (Note 8)	**1,772,369**	-	-
Foreign currency translation adjustment	**(293,673)**	(4,085,135)	(1,658,919)
Balance at the end of the period / year	**172,872,929**	145,928,412	151,422,171

Investment properties mainly compromise the following:

	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
Lands	**30,996,766**	31,278,748	32,303,559
Developed properties	**111,539,471**	100,935,468	102,425,677
Rights of use real estate assets	**30,336,692**	13,714,196	16,692,935
	172,872,929	145,928,412	151,422,171

a) The additions on investment properties include an amount of KD 10,125,000 which includes the investment properties transferred to the Group as a part of the deal related of the disposal of all the shares of its subsidiary in the Kingdom of Saudi Arabia (Note 4), The Group had extended the rights of use for some real estate assets and recognized new rights of use real estate assets with total amount of KD 15,927,488 which have been recorded against the related lease liabilities.

7. Treasury shares

	September 30, 2022	December 31, 2021 (Audited)	September 30, 2021
Number of shares	**5,600**	5,600	5,600
Percentage of issued shares (%)	**0.001**	0.001	0.001
Market value (KD)	**241**	426	426
Cost (KD)	**1,777**	1,777	1,777

The Group's management has allotted an amount equal to treasury shares balance from retained earnings liabilities as of September 30, 2022. Such amount will not be available for distribution during treasury shares holding period.

The Group has cancelled 58,719,140 shares from treasury share's balance by decreasing capital and statutory reserve (Note 13).

8. Effect of hyperinflation on a subsidiary

The Group, through its subsidiary "Mazaya Ritim Istanbul Insaat Anonim Sirketi", has operations in Turkey. The Turkish economy has been assessed as a hyperinflationary economy based on the cumulative inflation rates over the previous three years, effective for reporting period on or after April 1, 2022. Accordingly, this interim consolidated financial information includes the effects of hyperinflation for that subsidiary in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" stemming from its operations in Turkey.

The Group decided to classify the historical translation differences associated with the hyperinflation to retained earnings. The Group had accounted for the cumulative hyperinflation impact of applying IAS 29 on its subsidiary during the reporting period ending on September 30, 2022. The cumulative impact from applying IAS 29 had resulted in a credit to retained earnings by KD 1,574,183. In addition, the group recognized net monetary gain amounted to KD 301,699 in the interim condensed consolidated statement of profit or loss.

9. Net other income (expenses)

This caption includes current and deferred taxes for the Parent Company's subsidiaries amounting to KD 593,264 (2021 – KD 91,601) that mainly resulted from the impact of hyperinflation on the net assets of the subsidiary (Note 8).

A lawsuit is filed against one of the group's subsidiaries in the United Arab Emirates, as this lawsuit includes a claim for an amount of 17,277,295 UAE dirhams (equivalent to 1,459,819 Kuwaiti dinars), which represents settling accounts between the opponent and the subsidiary. During the year ended December 31, 2019, the First Instance Court ruled in favor of the opponent by an amount of AED 5,000,000 (equivalent to KD 422,468), which the subsidiary had appealed before the Court of Appeal and recognized a provision pertaining to that claim for conservatism purposes in the consolidated financial statements for the year ended December 31, 2019. During the period ended September 30, 2022, the Court of Appeal upheld the verdict issued by the Court of First Instance issued in the favor of the opponent. The Group is currently in process of appealing against this verdict in front of the Court of Cassation in the United Arab Emirates.

One of the Group's subsidiaries in United Arab Emirates is currently evaluating damages in some of the previously developed buildings by that subsidiary in Dubai, which were fully sold. The Group had previously recognized a provision for repair works of finished projects. As of September 30, 2022, the balance of this provision amounts to KD 514,565. The Group, through its subsidiary in United Arab Emirates, is currently in the process of completing the required studies related to the damages, in coordination with the relevant authorities to confirm the scope, cost, and timeline of the required repair works, in order to take the necessary actions thereto.

10. Basic and diluted earnings per share

The information necessary to calculate basic and diluted earnings 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,	
	2022	2021	**2022**	2021
Profit (loss) for the period attributable to equity holders of the Parent Company from continuing operations	**56,225**	(17,402)	**197,404**	(113,832)
Profit for the period attributable to equity holders of the Parent Company from discontinued operations	**152,435**	81,369	**382,794**	262,032
Profit for the period attributable to equity holders of the Parent Company	**208,660**	63,967	**580,198**	148,200
Number of shares outstanding:				
Number of issued shares at beginning of the period	**629,559,816**	688,278,956	**629,559,816**	688,278,956
Less: Weighted average number of treasury shares	**(5,600)**	(58,724,740)	**(5,600)**	(58,800,596)
Weighted average number of shares outstanding	**629,554,216**	629,554,216	**629,554,216**	629,478,360
Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company from continuing operations (Fils)	**0.09**	(0.03)	**0.31**	(0.18)
Basic and diluted earnings per share attributable to equity holders of the Parent Company from discontinued operations (Fils)	**0.24**	0.13	**0.61**	0.42
Total basic and diluted earnings per share attributable to equity holders of the Parent Company (Fils)	**0.33**	0.10	**0.92**	0.24

As there is no diluted instruments outstanding, earnings per share from basic and diluted are matching.

11. Related party disclosures

The Group has entered into various transactions with related parties, i.e. key management personnel 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, 2022**	December 31, 2021 (Audited)	September 30, 2021
Accounts receivable and other debit balances	-	**-**	-	1,226
Accounts payable and other credit balances	5,688	**5,688**	165,718	176,768
Lease liabilities (a)	3,294,359	**3,294,359**	3,617,859	3,663,450

Some Key management and their relatives own 50% of one of the Group's subsidiaries (MedCell Medical Company – K.S.C. (closed)).

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

	Key management personnel	For the nine months ended September 30, 2022	2021
Rental income	6,462	**6,462**	3,590
Amortization of finance costs related to lease liabilities	(126,501)	**(126,501)**	(139,763)

a) The amounts recognized for this lease liability montioned above as at September 30, 2022 that compose part of the Groups' consolidated lease liabilities can be presented as follows:

b)

	September 30, 2022	September 30, 2021
Lease liability within one year	**540,000**	540,000
Remaining liability till end of lease term	**3,348,000**	3,888,000
Total lease liability	**3,888,000**	4,428,000
Less: Unamortized future finance charge	**(593,641)**	(764,550)
Present value of minimum lease payments	**3,294,359**	3,663,450

Compensation to key management personnel:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	**2022**	2021
Short term benefits	**143,698**	137,928	**431,093**	413,786
Terminal benefits	**15,225**	14,662	**45,675**	43,987
	158,923	152,590	**476,768**	457,773

During the period ended September 30, 2021, some employees exercised their share options with 606,844 shares, and these shares were issued from treasury shares held with the Group aginst setting off the full balance of employees' share option plan reserve and part of statutory reserve in accordance with Capital Market Authority guidelines.

12. 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 months period ended September 30, 2022						Nine months period ended September 30, 2021					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Segment revenue from continuing operations	**7,554,301**	**2,344,770**	**-**	**164,575**	**366,419**	**10,430,065**	7,358,771	1,504,111	-	155,394	453,795	9,472,071
Segment revenue from discontinued operations	**-**	**-**	**590,826**	**-**	**-**	**590,826**	-	-	457,493	-	-	457,493
Segment profit (loss) from continuing operations	**412,612**	**335,365**	**-**	**(119,528)**	**7,938**	**636,387**	(209,216)	404,569	(1,094)	(14,472)	(38,811)	140,976
Segment profit from discontinued operations	**-**	**-**	**430,691**	**-**	**-**	**430,691**	-	-	291,573	-	-	291,573

	As at September 30, 2022						As at September 30, 2021					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	**111,364,249**	**70,647,844**	**15,853,030**	**6,670,024**	**15,646,254**	**220,181,401**	90,268,696	73,133,648	15,424,901	7,648,847	15,573,698	202,049,790
Total segment liabilities	**131,285,533**	**5,172,931**	**238,530**	**583,341**	**4,848,827**	**142,129,162**	110,537,510	7,664,656	281,875	189,878	4,732,693	123,406,612

	As at December 31, 2021 (Audited)					
	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	89,181,844	73,154,374	15,418,192	6,654,611	15,348,742	199,757,763
Total segment liabilities	110,636,100	7,520,818	262,922	238,631	4,743,560	123,402,031

13. Annual General Assembly

The Annual General Meeting of the Shareholders held on March 17, 2022, has approved the consolidated financial statements for the year ended December 31, 2021, and approved not to distribute cash dividend or bonus share and not to pay Board of Directors remuneration for the year ended December 31, 2021.

The Annual General Meeting of the Shareholders held on February 22, 2021, has approved the consolidated financial statements 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 capital share as at December 31, 2020 against reducing the balance of the share premium from KD 21,655,393 to KD 17,921,560.

The Parent Company's Shareholders' Extraordinary General Assembly meeting, held on April 25, 2021, approved the cancellation of 58,719,140 direct treasury shares amounting to KD 18,625,088, by reducing the Parent Company's capital 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 transaction was notarized in the Parent Company's commercial registry on June 8, 2021 (Note 1).

14. 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 period.

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:

The details of fair value measurement hierarchy are as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

	September 30, 2022		
	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	**-**	**351,866**	**351,866**
Financial assets at fair value through other comprehensive income	**1,252,956**	**7,958,810**	**9,211,766**
Investment properties (a)	**45,046,418**	**143,343,969**	**188,390,387**
	46,299,374	**151,654,645**	**197,954,019**

	December 31, 2021 (Audited)		
	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	394,447	394,447
Financial assets at fair value through other comprehensive income	1,455,048	8,913,947	10,368,995
Investment properties (a)	45,122,473	115,957,702	161,080,175
	46,577,521	125,266,096	171,843,617

	September 30, 2021		
	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 (a)	47,006,849	119,562,688	166,569,537
	48,474,383	129,187,456	177,661,839

a) Investment properties include all properties listed under assets classified as held for sale.

There were no transfers between Level 2 and Level 3 during the period.

15. 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, 2021. 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.