

**AL IMTIAZ INVESTMENT GROUP COMPANY- K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES (THE GROUP)  
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020  
(UNAUDITED)**

**WITH  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES (THE GROUP)  
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

CONTENTS

	<u>Pages</u>
Report on review of interim condensed consolidated financial information	1 - 2
Interim condensed consolidated statement of financial position (unaudited)	3
Interim condensed consolidated statement of profit or loss (unaudited)	4
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	5
Interim condensed consolidated statement of changes in equity (unaudited)	6
Interim condensed consolidated statement of cash flows (unaudited)	7
Notes to interim condensed consolidated financial information (unaudited)	8 - 23



Al Shaheed Tower, 6th Floor  
Khaled Ben Al Waleed Street, Sharq  
P.O. Box 25578, Safat 13116  
Kuwait  
Tel: +965 2242 6999  
Fax: +965 2240 1666  
www.bdo.com.kw

**RSM Albazie & Co.**  
Arraya Tower 2, Floors 41 & 42  
Abdulaziz Hamad Alsaqar St., Sharq  
P.O. Box 2115, Safat 13022, State of Kuwait  
T +965 22961000  
F +965 22412761  
www.rsm.global/kuwait

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors  
Al Imtiaz Investment Group Company K.S.C. (Public)  
State of Kuwait

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Imtiaz Investment Group Company K.S.C. (Public) (the Parent Company) and its subsidiaries (collectively, "the Group") as at September 30, 2020 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. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. 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 the basis of preparation set out in Note 2.

### **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 by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended September 30, 2020, that might have had a material effect on the business of the Parent Company or on its financial position.

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 violations of Law No. 32 of 1968, as amended, concerning Currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, or of the provisions of the Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine months period ended September 30, 2020, that might have had a material effect on the business of the Parent Company or on its financial position.

A handwritten signature in blue ink, appearing to be 'Faisal Saqer Al Saqer', enclosed within a blue oval.

Faisal Saqer Al Saqer  
License No. 172-A  
BDO Al Nisf & Partners

State of Kuwait  
October 27, 2020

A handwritten signature in blue ink, appearing to be 'Nayef M. Al Bazie', with a blue horizontal line drawn through it.

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

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT SEPTEMBER 30, 2020**  
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2020	(Audited) December 31, 2019	(Restated)* September 30, 2019
<b>ASSETS</b>				
Cash and cash equivalents	3	22,954,215	28,850,260	30,198,417
Term deposits		205,000	131,000	131,000
Financial assets at fair value through profit or loss ("FVTPL")	4	38,194,892	48,374,219	49,992,481
Accounts receivable and other debit balances	5	80,494,515	69,577,373	75,252,906
Other assets		10,594,517	10,978,148	10,692,539
Properties under development	6	1,329,119	2,372,779	2,372,779
Financial assets at fair value through other comprehensive income ("FVOCI")	7	24,557,882	24,769,631	23,869,882
Investment in associates	8	37,478,240	39,955,078	41,417,098
Investment properties	9	50,731,299	56,738,230	58,619,681
Property, plant and equipment		42,027,895	36,551,521	32,702,381
Intangible assets		22,642,027	23,031,433	23,834,924
Goodwill		36,306,549	36,306,549	36,306,549
<b>Total assets</b>		<b>367,516,150</b>	<b>377,636,221</b>	<b>385,390,637</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Bank facilities		9,147,119	7,169,723	7,261,107
Accounts payable and other credit balances		62,987,064	56,780,330	59,857,791
Lease liabilities		4,165,393	1,366,506	1,421,323
Murabaha and Wakala payable	10	53,794,601	52,301,854	51,887,736
Provision for end of service indemnity		7,780,605	6,896,325	6,745,583
<b>Total liabilities</b>		<b>137,874,782</b>	<b>124,514,738</b>	<b>127,173,540</b>
<b>Equity:</b>				
Share capital		113,361,735	113,361,735	113,361,735
Share premium		34,108,277	34,108,277	34,108,277
Treasury shares	11	(10,041,090)	(10,041,090)	(10,041,090)
Statutory reserve		26,534,020	26,534,020	24,493,217
Voluntary reserve		12,304,061	12,304,061	10,263,258
Other equity items	12	(6,908,329)	(3,812,895)	(2,196,612)
Retained earnings		26,516,773	43,326,328	51,887,009
Equity attributable to Shareholders of the Parent Company		195,875,447	215,780,436	221,875,794
Non-controlling interests		33,765,921	37,341,047	36,341,303
<b>Total equity</b>		<b>229,641,368</b>	<b>253,121,483</b>	<b>258,217,097</b>
<b>Total liabilities and equity</b>		<b>367,516,150</b>	<b>377,636,221</b>	<b>385,390,637</b>

\* Certain comparative figures to the interim condensed consolidated financial information has been restated as at September 30, 2019 to reflect adjustments made as detailed in (Note 23).

The accompanying notes from (1) to (24) form an integral part of the interim condensed consolidated financial information.

\_\_\_\_\_  
Khaled Sultan Bin Essa  
Chairman

\_\_\_\_\_  
Nawaf H. Marafi  
Chief Executive Officer of the Group  
and Board Member

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2020	(Restated)* 2019	2020	(Restated)* 2019
<b>Revenue:</b>					
Net investment (loss) income	13	(844,801)	1,382,698	(8,455,948)	962,891
Management, placement, and subscription fees		602,336	555,470	1,841,941	2,231,339
Rental income		607,860	651,723	1,994,643	2,044,587
Net operating income from operations of subsidiaries	14	5,499,598	7,062,710	21,190,579	21,425,960
Group's share of results from associates	8	(221,359)	679,975	(129,637)	2,201,873
Gain from partial sale of investment in an Associate		-	-	-	1,686,827
Gain from remeasurement of equity interest of a former associate		-	-	-	23,340,154
Changes in fair value of investment properties	9	155,738	281,779	(6,487,345)	293,087
Foreign exchange (loss) gain		(104,415)	60,452	61,426	42,266
Other income		93,410	557,152	1,486,126	1,307,017
<b>Total revenue</b>		<b>5,788,367</b>	<b>11,231,959</b>	<b>11,501,785</b>	<b>55,536,001</b>
<b>Expenses and other charges:</b>					
General and administrative expenses		5,054,453	4,334,723	16,800,258	15,957,460
Selling and marketing expenses		627,089	1,925,689	3,080,599	3,798,063
Finance charges		649,484	1,091,095	2,989,056	3,266,636
Management, placement, subscription and consultancy costs		518,872	79,004	1,142,405	1,040,929
Impairment loss and other net provisions	15	1,223,649	210,608	3,640,398	1,740,243
Depreciation and amortization		434,768	1,550,773	3,386,587	3,186,228
<b>Total expenses and other charges</b>		<b>8,508,315</b>	<b>9,191,892</b>	<b>31,039,303</b>	<b>28,989,559</b>
<b>(Loss) profit for the period before contribution to National Labour Support Tax (NLST)</b>		<b>(2,719,948)</b>	<b>2,040,067</b>	<b>(19,537,518)</b>	<b>26,546,442</b>
Contribution to NLST		-	(48,318)	-	(570,970)
<b>(Loss) profit for the period</b>		<b>(2,719,948)</b>	<b>1,991,749</b>	<b>(19,537,518)</b>	<b>25,975,472</b>
Attributable to:					
Shareholders of the Parent Company		(2,507,283)	1,229,245	(16,505,597)	24,197,132
Non-controlling interests		(212,665)	762,504	(3,031,921)	1,778,340
<b>(Loss) profit for the period</b>		<b>(2,719,948)</b>	<b>1,991,749</b>	<b>(19,537,518)</b>	<b>25,975,472</b>
Basic and diluted (loss) earnings per share attributable to shareholders of the Parent Company (Fils)	16	(2.44)	1.20	(16.06)	23.55

\* Certain comparative figures to the interim condensed consolidated financial information has been restated for the period ended September 30, 2019 to reflect adjustments made as detailed in (Note 23).

The accompanying notes from (1) to (24) form an integral part of the interim condensed consolidated financial information.

AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
 INCOME (UNAUDITED)  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2020  
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2020	(Restated)* 2019	2020	(Restated)* 2019
(Loss) profit for the period		<u>(2,719,948)</u>	<u>1,991,749</u>	<u>(19,537,518)</u>	<u>25,975,472</u>
<b>Net other comprehensive (loss) income:</b>					
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Exchange differences on translating foreign operations	12	<u>(539,451)</u>	<u>194,108</u>	<u>326,887</u>	<u>382,336</u>
Group's share of other comprehensive (loss) income from associates	8,12	<u>(532,348)</u>	<u>669,461</u>	<u>(2,450,266)</u>	<u>781,998</u>
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
Changes in fair value of financial assets at FVOCI	12	<u>260,133</u>	<u>(258,101)</u>	<u>(1,218,287)</u>	<u>(589,955)</u>
<b>Net other comprehensive (loss) income for the period</b>		<u>(811,666)</u>	<u>605,468</u>	<u>(3,341,666)</u>	<u>574,379</u>
<b>Total comprehensive (loss) income for the period</b>		<u>(3,531,614)</u>	<u>2,597,217</u>	<u>(22,879,184)</u>	<u>26,549,851</u>
Attributable to:					
Shareholders of the Parent Company		<u>(3,318,949)</u>	<u>1,834,713</u>	<u>(19,847,263)</u>	<u>24,771,511</u>
Non-controlling interests		<u>(212,665)</u>	<u>762,504</u>	<u>(3,031,921)</u>	<u>1,778,340</u>
<b>Total comprehensive (loss) income for the period</b>		<u>(3,531,614)</u>	<u>2,597,217</u>	<u>(22,879,184)</u>	<u>26,549,851</u>

\* Certain comparative figures to the interim condensed consolidated financial information has been restated for the period ended September 30, 2019 to reflect adjustments made as detailed in (Note 23).

The accompanying notes from (1) to (24) form an integral part of the interim condensed consolidated financial information.

AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2020

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other equity items (Note 12)	Retained earnings	Sub-total				
Balance as at December 31, 2019 (Audited)	113,361,735	34,108,277	(10,041,090)	26,534,020	12,304,061	(3,812,895)	43,326,328	215,780,436	37,341,047	253,121,483		
Transfer of reserve for loss on disposal of financial assets at FVOCI to retained earnings (Note 12)	-	-	-	-	-	303,958	(303,958)	-	-	-	-	-
Effect of other equity movements in a subsidiary (Note 12)	-	-	-	-	-	(57,726)	-	(57,726)	-	(57,726)	-	(57,726)
Total comprehensive loss for the period	-	-	-	-	-	(3,341,666)	(16,505,597)	(19,847,263)	(3,031,921)	(22,879,184)	(3,031,921)	(22,879,184)
Change in non-controlling interests	-	-	-	-	-	-	-	-	(543,205)	(543,205)	(543,205)	(543,205)
Balance as at September 30, 2020	113,361,735	34,108,277	(10,041,090)	26,534,020	12,304,061	(6,908,329)	26,516,773	195,875,447	33,765,921	229,641,368		
Balance as at December 31, 2018 (Audited)	113,361,735	34,108,277	(9,856,539)	24,493,217	10,263,258	(1,085,973)	34,877,274	206,161,249	36,269,109	242,430,358		
Transfer of reserve for gain on disposal of financial assets at FVOCI to retained earnings (Note 12)	-	-	-	-	-	(1,032,501)	1,032,501	-	-	-	-	-
Effect of other equity movements in an associate (Notes 8, 12)	-	-	-	-	-	(652,517)	-	(652,517)	-	(652,517)	-	(652,517)
Purchase of treasury shares	-	-	(184,551)	-	-	-	-	(184,551)	-	(184,551)	-	(184,551)
Total comprehensive income for the period ("Restated")*	-	-	-	-	-	574,379	24,197,132	24,771,511	1,778,340	26,549,851	1,778,340	26,549,851
Cash dividends 8% (Note 21)	-	-	-	-	-	-	(8,219,898)	(8,219,898)	-	(8,219,898)	-	(8,219,898)
Change in non-controlling interests	-	-	-	-	-	-	-	-	(1,706,146)	(1,706,146)	(1,706,146)	(1,706,146)
Balance as at September 30, 2019 ("Restated")*	113,361,735	34,108,277	(10,041,090)	24,493,217	10,263,258	(2,196,612)	51,887,099	221,875,794	36,341,303	258,217,097		

\* Certain comparative figures to the interim condensed consolidated financial information has been restated for the period ended September 30, 2019 to reflect adjustments made as detailed in (Note 23).

The accompanying notes from (1) to (24) form an integral part of the interim condensed consolidated financial information.



**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
(All amounts are in Kuwaiti Dinars)

	Note	Nine months ended September 30,	
		2020	(Restated)* 2019
<b>Cash flows from operating activities:</b>			
(Loss) profit for the period before contribution to NLST		(19,537,518)	26,546,442
Adjustments for:			
Net investment loss (income)	13	8,455,948	(962,891)
Group's share of results from associates	8	129,637	(2,201,873)
Gain from partial sale of investment in an associate		-	(1,686,827)
Gain from remeasurement of equity interest of a former associate		-	(23,340,154)
Changes in fair value of investment properties	9	6,487,345	(293,087)
Finance charges		2,989,056	3,266,636
Impairment loss and other net provisions	15	3,640,398	1,740,243
Depreciation and amortization		3,386,587	3,186,228
Provision for end of service indemnity		1,444,739	1,302,661
		<u>6,996,192</u>	<u>7,557,378</u>
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		(12,475,099)	(10,976,566)
Other assets		234,365	(481,631)
Accounts payable and other credit balances		<u>6,122,380</u>	<u>(3,550,788)</u>
Cash flows generated from (used in) operations		877,838	(7,451,607)
Payment for end of service indemnity		(579,204)	(812,612)
Net cash flows generated from (used in) operating activities		<u>298,634</u>	<u>(8,264,219)</u>
<b>Cash flows from investing activities:</b>			
Net movement in term deposits		(74,000)	-
Net movement in financial assets at FVTPL		713,474	(140,390)
Net movement in financial asset at FVOCI		(1,006,538)	430,174
Proceeds from partial sale of investment in an associate		-	2,057,963
Net movement in property, plant and equipment		(8,708,279)	(3,745,256)
Net movement in investment properties		(627,962)	-
Net movement in properties under development		(210,072)	-
Net movement in intangible assets		-	(210,384)
Cash dividends received from an associate	8	-	1,584,100
Dividends income received	13	1,009,905	2,487,328
Net cash flows (used in) generated from investing activities		<u>(8,903,472)</u>	<u>2,463,535</u>
<b>Cash flows from financing activities:</b>			
Bank facilities		1,977,396	(14,663)
Lease liabilities		2,798,887	(130,446)
Murabaha and Wakala payable		1,232,020	2,599,358
Finance charges paid		(2,728,329)	(3,884,000)
Purchase of treasury shares		-	(184,551)
Cash dividends paid		(18,161)	(8,098,085)
Change in non-controlling interests		(553,020)	(1,397,967)
Net cash flows generated from (used in) financing activities		<u>2,708,793</u>	<u>(11,110,354)</u>
Net decrease in cash and cash equivalents		(5,896,045)	(16,911,038)
Cash and cash equivalents at the beginning of the period		28,850,260	47,109,455
Cash and cash equivalents at the end of the period	3	<u>22,954,215</u>	<u>30,198,417</u>

\* Certain comparative figures to the interim condensed consolidated financial information has been restated for the period ended September 30, 2019 to reflect adjustments made as detailed in (Note 23).

The accompanying notes from (1) to (24) form an integral part of the interim condensed consolidated financial information.

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
(All amounts are in Kuwaiti Dinars)

---

**1. Incorporation and activities of the Parent Company**

Al Imtiaz Investment Group Company - K.S.C. (Public) (the "Parent Company") (formerly known as Al Imtiaz Investment Company - K.S.C. (Public)) is a Kuwaiti public shareholding Company registered in the State of Kuwait and was incorporated based on Memorandum of Incorporation under Ref. No. 2074 / Volume 1 dated April 6, 2005 and its subsequent amendments, the latest of which was notarized in the Commercial Register under Ref. No. 106905 dated November 12, 2014. The Parent Company is listed in Boursa Kuwait.

The Parent Company is regulated and supervised by the Central Bank of Kuwait ("CBK") for financing activities and the Capital Markets Authority ("CMA") as an investment company.

The Parent Company's registered address is P. O. Box 29050, Safat – Zip Code 13151 – State of Kuwait.

This interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on October 27, 2020.

**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 consolidated financial statements for the financial year ended December 31, 2019. The key sources of estimation uncertainty are consistent with the annual audited consolidated financial statements of the Group for the financial year ended December 31, 2019, with the exception of the impact of the COVID - 19 outbreak on the Group which is detailed in (Note 24).

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") and with the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK") and the Capital Markets Authority ("CMA"). These regulations require adoption of all IFRSs as issued by IASB except for the measurement and disclosure requirements of expected credit losses (ECL) on credit facilities under IFRS 9: Financial Instruments. Accordingly, provision for credit losses on credit facilities is the higher of ECL under IFRS 9, determined in accordance with the CBK guidelines, and the provisions required by the CBK rules on classification of credit facilities and calculation of their provisions. 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 nine months period ended September 30, 2020 are not necessarily indicative of the results that may be expected for the financial year ended December 31, 2020. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended December 31, 2019.

**Application of new and revised International Financial Reporting Standards (IFRSs)**

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Several other amendments and interpretations apply for the first time in 2020, but do not have a material impact on the interim condensed consolidated financial information of the Group.

**(a) Revised IFRSs that are effective for the current year:**

The following revised IFRSs, which became effective for annual periods beginning on or after January 1, 2020, have been adopted in the interim condensed consolidated financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in the interim condensed consolidated financial information.

Amendments to IFRS 3 – “Definition of a Business”

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

These amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. This amendment is not expected to have a material impact on the Group’s interim condensed consolidated financial information.

Amendments to IFRS 16 “leases” – COVID-19 Related Rent Concessions

COVID-19-Related Rent Concessions, issued in May 2020, added paragraphs 46A, 46B, 60A, C20A and C20B. A lessee shall apply that amendment for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not authorized for issue at May 28, 2020.

A lessee shall apply COVID-19 Related Rent Concessions retrospectively, recognizing the cumulative effect of initially applying that amendment as an adjustment to the opening retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. This amendment is not expected to have a material impact on the Group’s interim condensed consolidated financial information.

Other than the above amendments, several other amendments and interpretations apply for the first time in 2020, but do not have a material impact on the interim condensed consolidated financial information of the Group.

**(b) New and revised IFRSs issued but not yet effective and not early adopted:**

At the date of authorization of this interim condensed consolidated financial information, the Group has not applied the following new IFRS standard that have been issued but is not yet effective:

IFRS 17 – Insurance Contracts

This standard will be effective for annual reporting periods beginning on or after January 1, 2023 and replaces IFRS 4 - Insurance Contracts. The new standard applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of IFRS 17 is the general model, supplemented by:

- (a) A specific adaptation for contracts with direct participation features (Variable fee approach).
- (b) A simplified approach (premium allocation approach) mainly for short duration contracts.

Early application is permitted, provided an entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group is in the process of assessing the potential impact on its interim condensed consolidated financial information resulting from the application of the standard.

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

Other than IFRS 17, there are several amendments on IFRS in issue but not yet effective and not early adopted by the Group. The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's interim condensed consolidated financial information as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the interim condensed consolidated financial information.

**3. Cash and cash equivalents**

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Cash on hand and at banks	18,154,215	18,350,260	22,591,203
Short-term deposits	4,800,000	10,500,000	7,607,214
	<u>22,954,215</u>	<u>28,850,260</u>	<u>30,198,417</u>

The effective rate of return on short-term deposits is 1% (December 31, 2019: from 2.75% to 3%, September 30, 2019: from 2.62% to 3%) per annum. These deposits have a contractual maturity less than three months.

**4. Financial assets at fair value through profit or loss ("FVTPL")**

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Quoted securities	20,220,391	21,862,975	22,690,327
Unquoted securities	17,804,919	26,341,662	27,132,572
Investment funds	169,582	169,582	169,582
	<u>38,194,892</u>	<u>48,374,219</u>	<u>49,992,481</u>

During the period ended September 30, 2020, the Group has assessed the economic conditions in the region consequent to the outbreak of the Coronavirus (Covid-19) pandemic and accordingly performed valuation of its quoted and unquoted securities. As a result, the Group recorded unrealized losses from changes in fair value of the financial assets at FVTPL amounting to KD 9,485,559 (Notes 13, 24).

Financial assets at FVTPL was valued based on the valuation basis as described in (Note 22).

**5. Accounts receivable and other debit balances**

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Due from related parties (Note 17)	1,899,623	1,920,053	2,611,126
Advance payments	1,576,263	5,891,720	13,450,506
Contract receivables	12,904,540	6,095,721	9,236,083
Contract assets	27,438,468	24,471,828	21,236,299
Retention receivables	8,043,066	7,195,879	6,532,134
Notes receivables	6,371,873	5,670,922	5,716,214
Trade receivables of subsidiaries	19,344,595	15,749,065	15,967,222
Staff receivables	340,696	440,191	420,880
Other debit balances	13,647,672	11,091,663	8,620,438
Allowance for expected credit losses (a)	(11,072,281)	(8,949,669)	(8,537,996)
	<u>80,494,515</u>	<u>69,577,373</u>	<u>75,252,906</u>

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
(All amounts are in Kuwaiti Dinars)

(a) Allowance for expected credit losses

The movement in the allowance for expected credit losses during the period / year is as follows:

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Balance at the beginning of the period / year	8,949,669	7,244,601	7,244,601
Charged for the period / year (Notes 15, 24)	2,122,612	1,705,068	1,293,395
Balance at the end of the period / year	<u>11,072,281</u>	<u>8,949,669</u>	<u>8,537,996</u>

6. Properties under development

During the period ended September 30, 2020, the Group has assessed the economic conditions in the region consequent to the outbreak of the Coronavirus (Covid-19) pandemic and accordingly performed valuation of its properties under development. As a result, the Group recorded impairment losses amounting to KD 1,253,732 (Notes 15, 24).

7. Financial assets at fair value through other comprehensive income ("FVOCI")

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Quoted securities	216,960	212,209	220,179
Unquoted securities	23,549,213	23,771,514	22,802,992
Funds and portfolios	791,709	785,908	846,711
	<u>24,557,882</u>	<u>24,769,631</u>	<u>23,869,882</u>

Financial assets at FVOCI with a carrying value of KD 6,332,040 (December 31, 2019: KD 7,462,000, September 30, 2019: KD 7,195,500) are pledged against Murabaha and Wakala payable (Note 10).

Financial assets at FVOCI was valued based on the valuation basis as described in (Note 22).

8. Investment in associates

The movement during the period / year is as follows:

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Balance at the beginning of the period / year	39,955,078	44,495,681	44,495,681
Disposals	(403,806)	(371,136)	(371,136)
Transferred to financial assets at FVTPL	-	(3,146,522)	(3,146,522)
Effect of reclassification of subsidiaries to associates	497,054	-	-
Group's share of results from associates	(129,637)	2,525,434	2,201,873
Group's share of other comprehensive (loss) income from associates (Note 12)	(2,450,266)	(997,001)	781,998
Group's share of other equity movements in an associate (Note 12)	-	(652,517)	(652,517)
Cash dividends received from an associate	-	(1,584,100)	(1,584,100)
Non-controlling interests share from other equity movements in an associate	-	(305,832)	(305,832)
Non-controlling interests share from other comprehensive income (loss) from associates	9,817	(8,929)	(2,347)
Balance at the end of the period / year	<u>37,478,240</u>	<u>39,955,078</u>	<u>41,417,098</u>

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

**9. Investment properties**

During the period ended September 30, 2020, the Group has assessed the economic conditions in the region consequent to the outbreak of the Coronavirus pandemic (Covid-19) and accordingly performed valuation of its investment properties. As a result, the Group recorded unrealized losses due to changes in fair value of the investment properties amounting to KD 6,487,345 (Note 24).

Investment properties include properties with a carrying value amounting to KD 27,553,155 (December 31, 2019: KD 29,352,570, September 30, 2019: KD 31,013,570) pledged against Murabaha and Wakala payable (Note 10).

Fair value hierarchy disclosures for investment properties was valued based on the valuation basis as described in (Note 22).

**10. Murabaha and Wakala payable**

Murabaha and Wakala payable represent contracts with Islamic financial institutions, local and foreign banks, and other parties with due date ranging from three months to seven years. The average cost rate of Murabaha and Wakala payable is ranging from 2.5% to 5.5% (December 31, 2019: ranging from 2.25% to 3.25%, September 30, 2019: 2.25% to 6.25%) per annum over the Central Bank of Kuwait discount rate.

Murabaha payable of the Parent Company with a carrying value of KD 21,431,929 (December 31, 2019: KD 21,502,945, September 30, 2019: KD 22,722,147) is secured against pledging of investment properties with a carrying value amounting to KD 21,227,570 (December 31, 2019: KD 21,227,570, September 30, 2019: KD 22,938,570) (Note 9) and property, plant and equipment with a carrying value of KD 4,497,345 (December 31, 2019: KD 4,703,070, September 30, 2019: KD 3,070,788) owned by Al Imtiaz International Real Estate Company - K.S.C. (Closed) (a subsidiary of the Group).

Certain of Murabaha payable of Al Dar Engineering and Contracting Company - K.S.C. (Closed) (a subsidiary of the Group) are secured against assignment of certain contract revenue.

Murabaha payable of Majd Food Company - K.S.C. (Closed) (a subsidiary of the Group) with a carrying value of KD 531,792 (December 31, 2019: KD 277,396, September 30, 2019: KD 262,110) is secured against term deposits of KD 175,000 (December 31, 2019: KD 90,000, September 30, 2019: KD 90,000).

Murabaha payable of Dimah Capital Investment Company K.S.C. (Closed) (a subsidiary of the Group) with a carrying value of KD 10,832,215 (December 31, 2019: KD 10,855,250, September 30, 2019: KD 10,784,040) is secured against pledge of financial assets at FVOCI (Note 7), investment properties with a carrying value of KD 6,325,585 (December 31, 2019: KD 8,125,000, September 30, 2019: KD 8,075,000) (Note 9) and 35,704,644 shares of Al Imtiaz Investment Group Company K.S.C. (Public) (the Parent Company) (December 31, 2019: KD 35,704,644, September 30, 2019: KD 35,704,644) (Note 11).

Murabaha payable of Al Ritaj Holding Company - K.S.C. (Holding) (a subsidiary of the Group) with a carrying value of KD 7,533,425 (December 31, 2019: KD 9,504,429, September 30, 2019: KD 9,372,975) is secured against pledging its investment in the shares of the following subsidiaries:

<u>Name of the subsidiary</u>	<u>Number of shares</u>
Delta Pharmaceutical Industries Company (Delta Pharma) – S.A.E.	4,512,397
Pharaonia Pharmaceutical Company (Pharo Pharma) – S.A.E.	8,173,644

AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)  
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2020

(All amounts are in Kuwaiti Dinars)

17. Related party balances and transactions

The Group has entered into various transactions with related parties i.e. Major Shareholders, Board of Directors, Key management personnel, Executive officers of the Group, Associates and Other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party balances and transactions are as follows:

	(Audited)			
	September 30, 2020	December 31, 2019	September 30, 2019	September 30, 2019
<b>(i) <u>Balances included in the interim condensed consolidated statement of financial position:</u></b>				
Associates	562,698			
Major shareholders	153,657			
Other related parties	1,183,268	1,920,053	2,611,126	2,611,126
Accounts receivable and other debit balances (Note 5)	-	(1,183,268)	(1,406,767)	(1,406,767)
Allowance for expected credit losses	-	-	-	-
Net accounts receivable and other debit balances	562,698	736,785	1,204,359	1,204,359
Accounts payable and other credit balances	7,057,063	5,403,081	5,790,536	5,790,536
Murabaha and Wakala payable	-	1,232,687	1,222,148	1,222,148
<b>(ii) <u>Transactions included in the interim condensed consolidated statement of profit or loss:</u></b>				
			Nine months ended September 30,	
			2020	2019
Rental income	211,880	211,880	211,880	210,748
Finance charges	15,044	15,044	15,044	31,052
Net operating income from operations of subsidiaries	1,401,230	1,401,230	1,401,230	1,875,458
<b>(iii) <u>Compensation to key management personnel of the Parent Company:</u></b>				
Salaries, incentives and remuneration		371,952		450,450
End of service indemnity		39,025		53,776
Post-employment benefits		92,777		115,784

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

**18. Fiduciary assets**

The aggregate value of assets held in a trust or fiduciary capacity by the Parent Company (off interim condensed consolidated statement of financial position items) as at September 30, 2020 amounted to KD 86,979,148 (December 31, 2019: KD 110,675,810, September 30, 2019: KD 106,951,900).

**19. Capital commitments and contingent liabilities**

**a) Capital commitments**

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Capital commitments of subsidiaries	<u>451,932</u>	<u>2,143,371</u>	<u>2,081,364</u>

**b) Contingent liabilities**

	September 30, 2020	(Audited) December 31, 2019	September 30, 2019
Letters of guarantee	<u>30,837,254</u>	<u>31,761,007</u>	<u>31,545,911</u>
Letters of credit	<u>497,685</u>	<u>1,603,258</u>	<u>1,205,733</u>
	<u>31,334,939</u>	<u>33,364,265</u>	<u>32,751,644</u>

**20. Segment reporting**

Operating segments are identified on the basis of internal reports about the Group's components which are regularly reviewed by the chief operating decision maker so as to evaluate their performance. The management has classified the Group's products and services into the following operational segments "Operating Segments":

- Investment properties
- Financial investments
- Healthcare
- Education
- Oil and construction
- IT solutions and fintech
- Food sales
- Others (net)



**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
(All amounts are in Kuwaiti Dinars)

The following information relates to the Group's segment reporting:

**A) Segment revenue and results:**

	<u>Segment revenue</u>		<u>Segment profit</u>	
	<u>Nine months ended September 30,</u>		<u>Nine months ended September 30,</u>	
			<u>(Restated)</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Investment properties	(4,523,902)	2,679,702	(4,523,902)	2,491,245
Financial investments	(6,032,945)	3,688,328	(10,326,993)	2,187,932
Healthcare	9,371,677	6,483,343	7,268,628	4,108,784
Education	2,474,559	28,034,432	2,474,559	27,994,937
Oil and construction	4,255,703	5,835,091	3,430,877	5,024,688
IT solutions and fintech	4,104,295	6,449,362	3,570,144	5,574,524
Food sales	1,914,484	2,235,844	1,898,699	1,976,185
Others (net)	(62,086)	129,899	(62,086)	129,898
<b>Total</b>	<b>11,501,785</b>	<b>55,536,001</b>	<b>3,729,926</b>	<b>49,488,193</b>
General and administrative expenses			(16,800,258)	(15,957,460)
Selling and marketing expenses			(3,080,599)	(3,798,063)
Depreciation and amortization			(3,386,587)	(3,186,228)
Others (net)			-	(570,970)
<b>(Loss) profit for the period</b>			<b>(19,537,518)</b>	<b>25,975,472</b>

**B) Segment assets and liabilities:**

For the purposes of monitoring segment performance and allocating resources between segments, the segment assets and liabilities are as follows:

	<u>September 30, 2020</u>	<u>(Audited)</u>	<u>(Restated)</u>
		<u>December 31, 2019</u>	<u>September 30, 2019</u>
<b><u>Segment assets:</u></b>			
Investment properties	93,059,095	106,439,785	107,023,756
Financial investments	45,045,211	57,102,908	64,981,429
Healthcare	47,672,744	46,822,475	43,425,385
Education	28,120,092	31,255,525	31,280,746
Oil and construction	79,668,160	69,670,013	70,473,506
IT solutions and fintech	58,170,744	51,307,458	54,469,787
Food sales	10,343,790	9,256,554	9,316,675
Others	5,436,314	5,781,503	4,419,353
<b>Total segment assets</b>	<b>367,516,150</b>	<b>377,636,221</b>	<b>385,390,637</b>
<b><u>Segment liabilities:</u></b>			
Investment properties	1,380,675	2,053,649	780,981
Financial investments	18,344,735	19,927,233	17,993,199
Healthcare	19,795,989	22,216,155	23,274,791
Education	1,550,597	1,765,599	1,279,368
Oil and construction	53,030,352	41,164,522	45,173,265
IT solutions and fintech	42,311,417	36,393,506	37,855,662
Food sales	1,461,017	994,074	816,274
<b>Total segment liabilities</b>	<b>137,874,782</b>	<b>124,514,738</b>	<b>127,173,540</b>

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

**21. General Assembly**

The shareholders' Annual General Assembly held on June 10, 2020 approved:

- (a) The consolidated financial statements for the financial year ended December 31, 2019.
- (b) Board of Directors' proposal not to distribute cash dividends and Board of Directors' remuneration for the financial year ended December 31, 2019 based on the Board of Directors' decision taken in its meeting dated April 7, 2020 to cancel the previous proposals to distribute cash dividends and Board of Directors' remuneration for the financial year ended December 31, 2019. Accordingly, the Group reversed the Board of Directors' remuneration amounting to KD 119,000 during the period ended September 30, 2020 and recorded in the interim condensed consolidated statement of profit or loss under "other income".

The Shareholders' Annual General Assembly held on March 20, 2019 approved the consolidated financial statements for the year ended December 31, 2018, approved to distribute cash dividends of 8 fils per share amounting to KD 8,219,898 and approved the Board of Directors' remuneration amounting to KD 114,750 for the financial year ended December 31, 2018.

**22. Fair value measurement**

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 the financial assets recorded at fair value by level of the fair value hierarchy:

<u>September 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets at FVTPL:</b>				
Quoted securities	20,220,391	-	-	20,220,391
Unquoted securities	-	-	17,804,945	17,804,945
Investment funds	-	169,556	-	169,556
<b>Financial assets at FVOCI:</b>				
Quoted securities	216,960	-	-	216,960
Unquoted securities	-	-	23,549,213	23,549,213
Funds and portfolios	-	791,709	-	791,709
<b>Total</b>	<b>20,437,351</b>	<b>961,265</b>	<b>41,354,158</b>	<b>62,752,774</b>
<u>December 31, 2019 (Audited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets at FVTPL:</b>				
Quoted securities	21,862,975	-	-	21,862,975
Unquoted securities	-	-	26,341,662	26,341,662
Investment funds	-	169,582	-	169,582
<b>Financial assets at FVOCI:</b>				
Quoted securities	212,209	-	-	212,209
Unquoted securities	-	-	23,771,514	23,771,514
Funds and portfolios	-	785,908	-	785,908
<b>Total</b>	<b>22,075,184</b>	<b>955,490</b>	<b>50,113,176</b>	<b>73,143,850</b>

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

<u>September 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL:				
Quoted securities	22,690,327	-	-	22,690,327
Unquoted securities	-	-	27,132,572	27,132,572
Investment funds	-	169,582	-	169,582
Financial assets at FVOCI:				
Quoted securities	220,179	-	-	220,179
Unquoted securities	-	-	22,802,992	22,802,992
Funds and portfolios	-	846,711	-	846,711
<b>Total</b>	<b>22,910,506</b>	<b>1,016,293</b>	<b>49,935,564</b>	<b>73,862,363</b>

During the period / year, there were no transfers between different levels of fair value measurement.

**23. Business combination and Purchase Price Allocation ("PPA")**

During the year ended December 31, 2019, the Group completed the PPA exercise for its acquisition of a Company domiciled in the GCC region acquired during the year ended December 31, 2018. Accordingly, the comparative interim condensed consolidated statement of financial position as at September 30, 2019 and the related comparative interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine and three months period ended September 30, 2019, have been restated to include the effects of the PPA exercise performed by the Group.

The restatement was accounted for in accordance with IFRS 3: "Business Combinations", which requires provisionally carried net identifiable assets to be adjusted during the measurement period, as if the accounting for the business combination had been completed at the acquisition date.

Accordingly, the PPA exercise resulted in the Group's identification of additional intangible assets as set out below:

- (a) PPA adjustments amounting to KD 7,603,459 represent the following additional intangible assets identified as part of business combination:
- i. Customer contracts with a fair value of KD 1,255,570 and an average estimated useful life from 1 to 4 years; and
  - ii. Tradename with a fair value of KD 6,347,889 with indefinite useful life.
- (b) The residual value was accounted for as Goodwill amounting to KD 22,817,638 which was allocated to the company as one single Cash-Generating Unit ("CGU"). The goodwill represents the value of expected synergies and future inflow of resources from the acquisition in the opinion of the Group's management.

Subsequently, intangible assets with finite useful life have been amortized over its estimated useful life.

The effect of the restatement for the period ended September 30, 2019 is as follows:

**Interim condensed consolidated statement of financial position:**

<u>Category</u>	<u>As previously reported</u>	<u>Adjustment</u>	<u>As restated</u>
<b>Assets:</b>			
Intangible assets	16,839,403	6,995,521	23,834,924
Goodwill	43,910,008	(7,603,459)	36,306,549
<b>Equity:</b>			
Retained earnings	52,494,947	(607,938)	51,887,009

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
 (All amounts are in Kuwaiti Dinars)

**Interim condensed consolidated statement of profit or loss:**

	Three months ended September 30,			Nine months ended September 30,		
	2019	Adjustment	(Restated) 2019	2019	Adjustment	(Restated) 2019
Depreciation and amortization	1,348,127	202,646	1,550,773	2,578,290	607,938	3,186,228

Basic and diluted earnings per share for the nine and three months period ended September 30, 2019 were 24.14 fils and 1.39 fils respectively (Note 16), before restatement for the effects of the above PPA exercise.

**24. Impact of Covid-19**

The outbreak of the novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business, with a consequential negative impact on economic activities. The Group is continually monitoring its impact and how to manage the potential disruption of the Covid-19 outbreak.

In light of Covid-19, the Group has considered whether any adjustments and changes in judgements, estimates and risk management are required to be considered and reported in the interim condensed consolidated financial information. Below are the key assumptions about the future and other key sources of estimation that may have significant risk of causing material adjustments to the interim condensed consolidated financial information.

**Impairment of non-financial assets**

**Properties under development**

The Group has assessed the economic conditions in the region consequent to the outbreak of the Coronavirus pandemic and accordingly performed valuation of its properties under development. As a result, the Group recorded impairment losses amounting to KD 1,253,732 (Notes 6, 15).

**Investment properties**

The Group has assessed the economic conditions in the region consequent to the outbreak of the Coronavirus pandemic (Covid-19) and accordingly performed valuation of its investment properties. As a result, the Group recorded unrealized losses due to changes in fair value of the investment properties amounting to KD 6,487,345 (Note 9).

**Intangible assets with indefinite life and Goodwill**

The Group has performed a qualitative and quantitative assessment for its carrying value of intangible assets with indefinite life and goodwill to determine if evidence exists that intangible assets with indefinite life and goodwill might be impaired. The recoverable amount of each segment unit has been determined based on a value-in-use calculation, using cash flow projections covering a five-year period. Accordingly, the Group has concluded there is no impact due to Covid-19.

**Impairment of financial assets**

**Expected Credit Losses ("ECL")**

The Group assessed the exposures in potentially affected sectors for any indicators of impairment and concluded there is an additional allowance for expected credit losses charged amounting to KD 2,122,612 (Notes 5, 15) due to Covid-19.

**AL IMTIAZ INVESTMENT GROUP COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**  
(All amounts are in Kuwaiti Dinars)

---

**Fair value of quoted and unquoted financial assets**

Local and foreign financial markets have exhibited a significant downturn and volatility, resulting decline in fair value of quoted and unquoted equity investments held by the Group classified as "FVTPL" by the amount of KD 9,485,559 (Notes 4, 13). Accordingly, the Group has incurred material losses arising from changes in fair values during the period ended September 30, 2020.

**Going concern**

The Group has performed an assessment of whether a going concern in light of current economic conditions and all available information about future risks and uncertainties is. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of Covid-19 may continue to evolve, but the present time the projections show that the Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2019. As a result, this interim condensed consolidated financial information has been prepared on a going concern basis.