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, 2022
(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

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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.bdointernational.com

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

Review Report on 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 (together referred to as "the Group") as at September 30, 2022, and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation 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 the 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 information, 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 presentation 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, 2022, that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions 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 Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine months period ended September 30, 2022, that might have had a material effect on the business of the Parent Company or on its financial position.

Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Dr. Shuaib A. Shuaib
License No. 33 "A"
RSM Albazie & Co.

State of Kuwait
October 26, 2022

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, 2022
(All amounts in Kuwaiti Dinars)

	Note	September 30, 2022	(Audited) December 31, 2021	September 30, 2021
ASSETS				
Cash on hand and at banks		**11,637,395**	21,054,333	19,771,878
Term deposits		**205,000**	205,000	1,572,396
Financial assets at fair value through profit or loss		**28,836,765**	33,839,273	33,890,981
Accounts receivable and other debit balances		**31,756,259**	35,031,763	43,132,085
Other assets		**8,204,590**	7,776,236	9,558,230
Wakala investments		**11,060,570**	10,105,440	-
Properties under development		**1,329,119**	1,329,119	1,329,119
Financial assets at fair value through other comprehensive income		**20,920,744**	19,535,121	15,626,514
Investment in associates	3	**35,527,675**	39,717,231	38,257,933
Investment properties		**34,195,647**	37,742,915	42,764,215
Property, plant and equipment		**22,527,130**	23,354,150	23,135,932
Intangible assets		**22,126,930**	22,209,314	22,286,728
Goodwill		**36,306,549**	36,306,549	36,306,549
Total assets		**264,634,373**	288,206,444	287,632,560
LIABILITIES AND EQUITY				
Liabilities:				
Bank facilities		**7,884,781**	10,560,990	9,962,018
Accounts payable and other credit balances		**25,856,699**	27,835,210	27,066,601
Lease liabilities		**791,000**	1,040,003	1,159,195
Murabaha and Wakala payable	4	**28,456,537**	32,352,432	34,594,314
Provision for end of service indemnity		**5,541,587**	5,497,810	5,629,765
Total liabilities		**68,530,604**	77,286,445	78,411,893
Equity:				
Share capital		**113,361,735**	113,361,735	113,361,735
Share premium		**34,108,277**	34,108,277	34,108,277
Treasury shares	5	**(10,590,738)**	(8,937,109)	(8,937,109)
Statutory reserve		**26,693,882**	26,693,882	26,534,020
Voluntary reserve		**12,463,923**	12,463,923	12,304,061
Other equity items	6	**(15,202,968)**	(12,725,917)	(15,471,668)
Retained earnings		**12,354,292**	22,437,827	23,645,650
Equity attributable to shareholders of the Parent Company		**173,188,403**	187,402,618	185,544,966
Non-controlling interests		**22,915,366**	23,517,381	23,675,701
Total equity		**196,103,769**	210,919,999	209,220,667
Total liabilities and equity		**264,634,373**	288,206,444	287,632,560

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

		Three months ended September 30		Nine months ended September 30	
	Note	**2022**	2021	**2022**	2021
Continuing operations:					
Operating revenue		**15,408,134**	18,821,581	**53,593,947**	56,513,529
Operating costs		**(10,865,516)**	(12,133,118)	**(36,246,479)**	(35,230,239)
Gross profit from subsidiaries		**4,542,618**	6,688,463	**17,347,468**	21,283,290
Group's share of results from associates	3	**(361,850)**	707,858	**(1,607,207)**	1,014,614
Changes in fair value of investment properties		**-**	-	**102,296**	(46,023)
Gain on disposal of investment properties		**487,282**	470,000	**1,413,913**	470,000
Net investment (loss) / income	7	**(122,356)**	(2,011,924)	**1,503,779**	471,254
Gain on disposal of investment in an associate		**-**	-	**-**	256,830
Impairment loss and net other provisions		**(182,696)**	(379,739)	**(1,593,085)**	(1,637,279)
Rental income		**499,354**	591,395	**1,569,482**	1,866,263
Income from operating activities		**4,862,352**	6,066,053	**18,736,646**	23,678,949
General and administrative expenses		**(4,269,019)**	(3,970,242)	**(12,917,299)**	(14,372,171)
Selling and marketing expenses		**(1,339,010)**	(1,580,556)	**(4,823,674)**	(4,664,835)
Management and consultancy costs		**(80,705)**	(148,281)	**(250,689)**	(576,315)
Foreign exchange gain / (loss)		**76,903**	10,661	**289,616**	(17,048)
Net (loss) / income from operations		**(749,479)**	377,635	**1,034,600**	4,048,580
Finance expenses		**(558,051)**	(644,157)	**(1,796,971)**	(2,233,541)
Depreciation and amortization		**(346,886)**	(400,436)	**(1,243,587)**	(1,235,281)
Other income		**284,141**	256,619	**1,956,364**	703,174
(Loss) / profit for the period from continuing operations		**(1,370,275)**	(410,339)	**(49,594)**	1,282,932
Discontinued operations:					
Profit for the period from discontinued operations	8	**-**	-	**-**	2,373,597
(Loss) / profit for the period before National Labor Support Tax and Zakat		**(1,370,275)**	(410,339)	**(49,594)**	3,656,529
Contribution NLST		**12,732**	-	**-**	(118,155)
Zakat		**-**	-	**-**	(31,927)
(Loss) / profit for the period		**(1,357,543)**	(410,339)	**(49,594)**	3,506,447
Attributable to:					
Shareholders of the Parent Company's		**(1,167,830)**	(1,194,366)	**(813,868)**	2,419,982
Non-controlling interests		**(189,713)**	784,027	**764,274**	1,086,465
(Loss) / profit for the period		**(1,357,543)**	(410,339)	**(49,594)**	3,506,447
Basic and diluted (loss) / earnings per share:		**Fils**	Fils	**Fils**	Fils
Basic and diluted (loss) / earnings per share attributable to the Parent Company's shareholders	9	**(1.14)**	(1.15)	**(0.79)**	2.33
Basic and diluted (loss) / earnings per share from continuing operations:					
Basic and diluted (loss) / earnings per share attributable to the Parent Company's shareholders	9	**(1.14)**	(1.15)	**(0.79)**	0.04
Basic and diluted earnings per share from discontinued operations:					
Basic and diluted earnings per share attributable to the Parent Company's shareholders	9	**-**	-	**-**	2.29

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

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	**2022**	2021
(Loss) / profit for the period		**(1,357,543)**	(410,339)	**(49,594)**	3,506,447
Other comprehensive (loss) / income:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	6	**181,595**	11,503	**(1,199,561)**	(11,308)
Group's share of other comprehensive (loss) / income from associates	3, 6	**(1,982,957)**	923,506	**(2,489,988)**	1,792,128
Items that will not be reclassified subsequently to profit or loss:					
Change in fair value of financial assets at fair value through other comprehensive income	6	**501,918**	51,627	**1,169,255**	(1,194,063)
Total other comprehensive (loss) / income for the period		**(1,299,444)**	986,636	**(2,520,294)**	586,757
Total comprehensive (loss) / income for the period		**(2,656,987)**	576,297	**(2,569,888)**	4,093,204
Attributable to:					
Shareholders of the Parent Company		**(2,467,274)**	(207,730)	**(3,334,162)**	3,006,739
Non-controlling interests		**(189,713)**	784,027	**764,274**	1,086,465
Total comprehensive (loss) income for the period		**(2,656,987)**	576,297	**(2,569,888)**	4,093,204
Total comprehensive (loss) / income for the period attributable to:					
Continuing operations		**(2,656,987)**	576,297	**(2,569,888)**	1,719,607
Discontinued operations		**-**	-	**-**	2,373,597
Total comprehensive (loss) / income for the period		**(2,656,987)**	576,297	**(2,569,888)**	4,093,204

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

	Equity attributable to shareholders of the Parent Company									
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other equity items (Note 6)	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance as at December 31, 2021 (audited)	113,361,735	34,108,277	(8,937,109)	26,693,882	12,463,923	(12,725,917)	22,437,827	187,402,618	23,517,381	210,919,999
Cash dividends 9% (Note 14)	-	-	-	-	-	-	(9,226,424)	(9,226,424)	-	(9,226,424)
Purchase of treasury shares	-	-	(1,653,629)	-	-	-	-	(1,653,629)	-	(1,653,629)
Transferred of reserve of loss on disposal of financial assets at fair value through other comprehensive income to the retained earnings (Note 6)	-	-	-	-	-	43,243	(43,243)	-	-	-
Total comprehensive (loss) / income for the period	-	-	-	-	-	(2,520,294)	(813,868)	(3,334,162)	764,274	(2,569,888)
Change in Non-controlling interests	-	-	-	-	-	-	-	-	(1,366,289)	(1,366,289)
Balance as at September 30, 2022	**113,361,735**	**34,108,277**	**(10,590,738)**	**26,693,882**	**12,463,923**	**(15,202,968)**	**12,354,292**	**173,188,403**	**22,915,366**	**196,103,769**
Balance as at December 31, 2020 (Audited)	113,361,735	34,108,277	(10,041,090)	26,534,020	12,304,061	(16,552,134)	22,026,572	181,741,441	31,741,492	213,482,933
Transferred of reserve of loss on disposal of financial assets at fair value through other comprehensive income to the retained earnings (Note 6)	-	-	-	-	-	800,904	(800,904)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	586,757	2,419,982	3,006,739	1,086,465	4,093,204
Disposal of treasury shares related to the discontinued operations (Note 5)	-	-	1,103,981	-	-	-	-	1,103,981	-	1,103,981
Effect of change in subsidiaries' other equity items (Note 6)	-	-	-	-	-	(307,195)	-	(307,195)	-	(307,195)
Change in Non-controlling interests	-	-	-	-	-	-	-	-	(1,739,152)	(1,739,152)
Non-controlling interests of discontinued operations	-	-	-	-	-	-	-	-	(7,413,104)	(7,413,104)
Balance as at September 30, 2021	113,361,735	34,108,277	(8,937,109)	26,534,020	12,304,061	(15,471,668)	23,645,650	185,544,966	23,675,701	209,220,667

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

	Nine months ended September 30	
	2022	2021
Cash flows from operating activities:		
(Loss) / profit for the period from continuing operations	**(49,594)**	1,282,932
Profit for the period from discontinued operations	**-**	2,373,597
(Loss) / profit for the period before NLST and Zakat	**(49,594)**	3,656,529
Adjustments:		
Group's share of results from associates	**1,607,207**	(1,014,614)
Change in fair value of investment properties	**(102,296)**	46,023
Gain on sale of investment properties	**(1,413,913)**	(470,000)
Net investment income	**(1,503,779)**	(471,254)
Gain on sale of investment in an associate	**-**	(256,830)
Impairment losses and net other provisions	**1,593,085**	1,637,279
Return income	**(848,851)**	(24,718)
Provision for end of service indemnity	**356,199**	1,392,888
Finance expenses	**1,796,971**	2,233,541
Depreciation and amortization	**1,243,587**	1,235,281
Gain on disposal of discontinued operations	**-**	(2,373,597)
	2,678,616	5,590,528
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	**2,290,813**	(6,116,252)
Other assets	**(775,910)**	(795,323)
Accounts payable and other credit balances	**(2,447,026)**	(9,851,124)
Cash flows generated from / (used in) operations	**1,746,493**	(11,172,171)
End of service indemnity paid	**(416,263)**	(554,166)
Net cash flows generated from / (used in) operating activities	**1,330,230**	(11,726,337)
Cash flows from investing activities:		
Net movement on term deposits	**-**	(1,367,396)
Net movement on financial assets at fair value through profit or Loss	**4,258,259**	4,480,625
Net movement in Wakala investments	**(1,215,730)**	-
Net movement on financial assets at fair value through other comprehensive income	**(216,368)**	(1,163,613)
Payment for purchase of investment in associates	**-**	(3,012,800)
Proceeds from sale of investment in an associate	**-**	901,387
Net movement on investment properties	**5,101,331**	3,420,000
Proceeds from disposal of discontinued operations	**-**	15,811,548
Net movement in property, plant and equipment	**(416,567)**	(1,059,813)
Cash dividends received	**2,248,028**	3,049,662
Return income received	**101,640**	24,718
Net cash flows from investing activities	**9,860,593**	21,084,318
Cash flows from financing activities:		
Net movement on bank facilities	**(2,676,209)**	329,490
Net movement in lease liabilities	**(249,003)**	(531,477)
Net movement in Murabaha and Wakala payable	**(3,997,156)**	(5,901,787)
Finance expenses paid	**(1,695,710)**	(2,320,033)
Cash dividends paid	**(8,993,326)**	(17,363)
Purchase of treasury shares	**(1,653,629)**	-
Effect of change in non-controlling interests	**(1,342,728)**	(1,725,986)
Net cash flows used in financing activities	**(20,607,761)**	(10,167,156)
Net decrease in cash on hand and at banks	**(9,416,938)**	(809,175)
Cash related to discontinued operations	**-**	(2,135,898)
Cash on hand and at banks as at beginning of the period	**21,054,333**	22,716,951
Cash on hand and at banks as at end of the period	**11,637,395**	19,771,878

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information.

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 6 April 2005 and its subsequent amendments, the latest of which was notarized in the Commercial Register under Ref. No. 106905 dated 12 November 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 26, 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 consolidated financial statements for the year ended December 31, 2021.

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

(a) **Significant accounting policies**

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amounts of assets and liabilities, incomes and expenses. Actual results may differ from these estimates.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the previous year except for the changes due to implementation of the following amended International Financial Reporting Standards as of 1 January 2022:

Amendments to applied standards

Amended IFRS standards that are effective for the current period are as follows:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the International Accounting Standard Board ('IASB' or 'Board') issued amendments to IFRS 3 "Business Combinations" - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued on 29 March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. These amendments did not have material impact on the Group.

Amendments to IAS 16: "Property, Plant and Equipment: Proceeds before Intended Use"
In May 2020, the IASB issued IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use", which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments did not have material impact on the Group.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retroactively to items of property, plants and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Amendments to IAS 37: "Onerous Contracts – Costs of Fulfilling a Contract"
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The Group is in the process of assessing the potential impact on its consolidated financial statements resulting from the application of the standard.

Annual improvements to IFRS 2018-2020 Cycle
The following is the summary of the amendments from the 2018-2020 annual improvements cycle:

IFRS 9 "Fees in the '10%' test for derecognition of financial liabilities"
This amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

This amendment is effective for annual reporting periods beginning on or after 1 January 2022, with early application permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. These amendments did not have material impact on the Group.

New and revised IFRS in issue but not yet effective
At the date of authorization of these interim condensed consolidated financial information, the Group has not applied the following new and revised IFRS standards that have been issued but are not yet effective:

IFRS 17 – Insurance Contracts and its amendments

a) In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 (initially effective January 1, 2021), with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

b) In September 2020, the IASB issued amendments to IFRS 17. These amendments follow from the Exposure Draft (ED) on proposed Amendments to IFRS 17 Insurance Contracts.

As a result of its re-deliberations, the IASB has made changes to the following main areas of IFRS 17:

- Deferral of the effective date of IFRS 17 and IFRS 9 for qualifying insurance entities by 2 years to annual reporting periods beginning on or after 1 January 2023,
- Scope of the standard,
- Expected recovery of insurance acquisition cash flows from insurance contract renewals,
- CSM relating to investment activities,
- Applicability of the risk mitigation option for contracts with direct participation features,
- Reinsurance contracts held - expected recovery of losses on underlying onerous contracts,
- Simplified presentation of insurance contracts in the statement of financial position,
- Additional transition reliefs.

The Group is in the process of assessing the potential impact on the consolidated financial statement resulting from the application of this standard.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after I January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The Group is in the process of assessing the potential impact on its consolidated financial statements resulting from the application of the standard.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

These amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is in the process of assessing the potential impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

3- Investment in associates

The movement during the period / year is as follows:

	September 30, 2022	(Audited) December 31, 2021	September 30, 2021
Balance as at the beginning of the period / year	**39,717,231**	35,359,464	35,359,464
Additions	**-**	3,012,800	3,012,800
Disposals	**-**	(644,557)	(644,557)
Group's share of results from associates	**(1,607,207)**	1,770,480	1,014,614
Group's share of other comprehensive (loss) / income from associates (Note 6)	**(2,489,988)**	2,843,180	1,792,128
Impairment loss on investments in associates	**(68,800)**	(586,646)	(245,316)
Effect of eliminating a profit from a transaction with an associate (Note 8)	**-**	(2,019,675)	(2,019,675)
Non-controlling interests of share from other comprehensive (loss) / income from associates	**(23,561)**	(17,815)	(11,525)
Balance at the end of the period / year	**35,527,675**	39,717,231	38,257,933

4- Murabaha and Wakala payable

Murabaha and Wakala payable represent contracts with Islamic financial institutions, local, foreign banks and other parties with due dates in the range of 4 months to 3.25 years. The average annual cost rate of Murabaha and Wakala payable is in the range of 1.75% to 2.75% (December 31, 2021: 1.75% to 3%; September 30, 2021: 1.75% to 3%) per annum over the Central Bank of Kuwait discount rate. These facilities are secured by the following collaterals:

	September 30, 2022	(Audited) December 31, 2021	September 30, 2021
Term deposits	**175,000**	175,000	175,000
Financial assets at fair value through other comprehensive income	**8,245,510**	5,644,470	5,457,920
Investment properties	**21,227,570**	22,744,412	27,553,155
Property, plants and equipment	**3,879,649**	4,154,469	4,153,950
	Share	Share	Share
Treasury shares (share) (Note 5)	**35,704,644**	35,704,644	35,704,644
Shares of the subsidiaries of Al Ritaj Holding Company - K.S.C. (Holding):			
Delta Pharmaceutical Industries Company (Delta Pharma) (Share)	**4,512,397**	4,512,397	4,512,397
Pharaonia Pharmaceutical Company (Pharo Pharma) (Share)	**8,173,644**	8,173,644	8,173,644

5- Treasury shares

	September 30, 2022	(Audited) December 31, 2021	September 30, 2021
Number of shares (share)	**108,459,122**	96,215,142	96,215,142
Percentage of issued shares (%)	**9.57%**	8.49%	8.49%
Market value (KD)	**8,188,664**	11,257,172	12,989,044
Cost (KD)	**10,590,738**	8,937,109	8,937,109

The Parent Company's management has allotted an amount equal to treasury shares balance from the reserves as at September 30, 2022. This balance is not available for distribution during the Group's retention period of these treasury shares.

During the year ended December 31, 2021, there was a decrease of 9,915,000 treasury shares with a book value of KD 1,103,981 owned by a subsidiary as a result of disposal that subsidiary (discontinued operations).

Treasury shares as at September 30, 2022 are represented as follows:

Ownership	Number of shares	
The Parent Company (direct ownership)	72,754,478	Not pledged
Subsidiary (indirect ownership)	35,704,644	Pledged shares (Note 4)
Total number of shares	**108,459,122**	

6- Other equity items

	Employee stock option reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Properties revaluation surplus	Foreign currency translation reserve	Effect of changes in associates' other comprehensive (loss) / income	Effect of other equity movements in associates	Effect of changes in ownership interest in subsidiaries' equity	Effect of other equity movements in a subsidiary	Reserve for (loss) gain on disposal of financial assets at FVOCI	Total
Balance as of December 31, 2021 (audited)	1,023,828	(12,786,444)	1,884,506	(2,915,093)	(401,632)	(652,517)	1,222,404	(57,726)	(43,243)	(12,725,917)
Loss transferred on disposal of financial assets at fair value through other comprehensive income	-	875,697	-	-	-	-	-	-	(875,697)	-
Transferred of reserve of loss on disposal of financial assets at FVOCI to the retained earnings	-	-	-	-	-	-	-	-	43,243	43,243
Total comprehensive income / (loss) for the period	-	1,169,255	-	(1,199,561)	(2,489,988)	-	-	-	-	(2,520,294)
Balance as at September 30, 2022	**1,023,828**	**(10,741,492)**	**1,884,506**	**(4,114,654)**	**(2,891,620)**	**(652,517)**	**1,222,404**	**(57,726)**	**(875,697)**	**(15,202,968)**
Balance as at December 31, 2020 (audited)	1,023,828	(13,322,659)	1,884,506	(2,911,449)	(3,244,812)	(652,517)	1,529,599	(57,726)	(800,904)	(16,552,134)
Loss transferred on disposal of financial assets at fair value through other comprehensive income	-	38,995	-	-	-	-	-	-	(38,995)	-
Transferred from reserve of loss on disposal of financial assets at FVOCI to the retained earnings	-	-	-	-	-	-	-	-	800,904	800,904
Effect of other equity movements in a subsidiary	-	-	-	-	-	-	(307,195)	-	-	(307,195)
Total comprehensive (loss) / income for the period	-	(1,194,063)	-	(11,308)	1,792,128	-	-	-	-	586,757
Balance as at September 30, 2021	1,023,828	(14,477,727)	1,884,506	(2,922,757)	(1,452,684)	(652,517)	1,222,404	(57,726)	(38,995)	(15,471,668)

7- Net investment (loss) / income

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Unrealized loss from changes in fair value of financial assets at fair value through profit or loss	**(542,287)**	(2,462,146)	**(1,224,330)**	(2,868,980)
Realized gain on sale of financial assets at fair value through profit or loss	**160,479**	104,066	**480,081**	290,572
Dividends income	**259,452**	346,156	**2,248,028**	3,049,662
	(122,356)	(2,011,924)	**1,503,779**	471,254

8- Discontinued operations

During the period ended September 30, 2021, the Parent Company disposed its entire shares in the subsidiary, Al Dar Engineering and Contracting Company - K.S.C. (Closed) to a related party (Group's associate) for an amount of KD 15,811,548. As a result, a gain of KD 2,373,597 has been recognized after eliminating an amount of KD 2,019,675 representing the share of gain to the extent of the Group's ownership interest in the associate (Note 3).

9- Basic and diluted (loss) / earnings per share attributable to shareholders of the Parent Company's

There are no potential dilutive ordinary shares. Basic and diluted (loss) / earnings per share is computed by dividing the (loss) / profit for the period attributable to shareholders of the Parent Company's by the weighted average number of shares outstanding during the period:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
(Loss) / profit for the period attributable to shareholders of the Parent Company from continuing operations	**(1,167,830)**	(1,194,366)	**(813,868)**	46,385
Profit for the period attributable to shareholders of the Parent Company from discontinued operations (Note 8)	**-**	-	**-**	2,373,597
(Loss) / profit for the period attributable to the shareholders of the Parent Company	**(1,167,830)**	(1,194,366)	**(813,868)**	2,419,982
	Share	Share	**Share**	Share
Number of issued and fully paid-up shares at the beginning of the period	**1,133,617,350**	1,133,617,350	**1,133,617,350**	1,133,617,350
Less: weighted average number of treasury shares	**(108,459,122)**	(96,215,142)	**(106,396,339)**	(96,215,142)
Weighted average number of outstanding shares	**1,025,158,228**	1,037,402,208	**1,027,221,011**	1,037,402,208
	Fils	Fils	**Fils**	Fils
Basic and diluted (loss) / earnings per share attributable to Shareholders of the Parent Company	**(1.14)**	(1.15)	**(0.79)**	2.33
Basic and diluted (loss) / earnings per share attributable to Shareholders of the Parent Company from continuing operations	**(1.14)**	(1.15)	**(0.79)**	0.04
Basic and diluted earnings per share attributable to Shareholders of the Parent Company from discontinued operations	**-**	-	**-**	2.29

As there are no dilutive instruments outstanding, basic and diluted (loss) / earnings per share attributable to shareholders of the Parent Company are the same as above.

10- Related party balances and transactions

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

	Associates	Other related parties	**September 30, 2022**	(Audited) December 31, 2021	September 30, 2021
(i) Balances included in the interim condensed consolidated statement of financial position:					
Accounts receivable and other debit balances	428,690	6,612	**435,302**	1,240,123	1,184,743
Less: provision for expected credit losses	-	-	**-**	(750,000)	(750,000)
Net accounts receivable and other debit balances	428,690	6,612	**435,302**	490,123	434,743
Accounts payable and other credit balances	434,644	153,283	**587,927**	451,547	480,011

			Nine months ended September 30	
	Associates	Other related parties	**2022**	2021
(ii) Transactions included in the interim condensed consolidated statement of profit or loss:				
Rental income	211,880	-	**211,880**	211,880
Management income	-	3,646	**3,646**	-
Other income	-	-	**-**	-
Provision for ECL no longer required	-	750,000	**750,000**	-
Cost of sales	-	3,325	**3,325**	-
General and administrative expenses	42,424	38,290	**80,714**	-
Gain on disposal of discontinued operations (Note 8)	-	-	**-**	2,373,597
(iii) Compensation to key management personnel of the Parent Company:				
Salaries, incentives and remunerations			**522,217**	444,210
End of service indemnity			**49,407**	45,640
Post-employment benefits			**57,776**	48,021

11- Fiduciary assets

The aggregate value of assets held in a trust or fiduciary capacity by the Parent Company (accounts off the interim condensed consolidated statement of financial position) as at September 30, 2022 amounted to KD 50,165,086 (December 31, 2021: KD 60,153,360, September 30, 2021: KD 62,649,730).

12- Capital commitments, contingent liabilities, and legal claims

(a) Capital commitments

	September 30, 2022	(Audited) December 31, 2021	September 30, 2021
Capital commitments of subsidiaries	**6,717**	260,977	326,128

(b) Contingent liabilities

	September 30, 2022	(Audited) December 31, 2021	September 30, 2021
Letters of guarantee	**3,913,971**	4,319,320	4,664,448

(c) Legal claims

Legal cases raised by Aayan Gulf (Plaintiff) against the Parent Company (Defendant).

Subject and court decisions issued:

- On 8 August 2019, Aayan Gulf Company filed a lawsuit requesting to appoint an expert to calculate its entitlements from a brokerage agreement. On October 31, 2021, the Court of First Instance issued its verdict by obligating the Defendant to pay an amount of KD 26,948,997. On 20 April 2022, the Court of Appeal revoked the verdict issued by the Court of First Instance and to exclude the case from cases' roll.

- On 3 April 2022, the Plaintiff filed another case claiming an amount of KD 113,194,334 representing compensation related mainly to brokerage fees of Golf land in Lusail project (State of Qatar) as per Plaintiff allegation. On 16 May 2022, the Court of First Instance issued a verdict that it has no jurisdiction over the lawsuit. The Plaintiff appealed against the verdict issued by the Court of First Instance and no judgment has yet been issued by the Court of Appeal.

Legal opinion:

In the opinion of the Group's legal counsel, the lawsuits are expected to be ineffective, as the Parent Company had previously filed criminal complaints on the same subject against members of the Board of Directors and the former executive management, which are under investigation by the Public Prosecution, and one of cases is decided by a final ruling by the Court of Appeal. Accordingly, it was not possible to estimate the value which could result from those cases until a final verdict to be rendered from the court. Accordingly, no provision for any liability has been made in these interim condensed consolidated financial information in relation to these legal cases.

13- Segment information

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":

- Financial services (Real estate)
- Pharma
- Education
- Food and beverage
- IT solutions
- Oil and construction

Information regarding the Group's segments' reports is presented below:

	September 30, 2022							
	Financial services (Real Estate)	Pharma	Education	Food and beverage	IT solutions	Oil and construction	Unallocated	Total
Operating revenue	726,871	18,943,389	4,598,144	3,994,765	25,330,778	-	-	53,593,947
Operating costs	-	(9,446,567)	(1,273,984)	(2,187,619)	(23,338,309)	-	-	(36,246,479)
Gross profit from subsidiaries	726,871	9,496,822	3,324,160	1,807,146	1,992,469	-	-	17,347,468
Income / (loss) from operating activities	1,580,088	8,930,870	3,233,391	1,808,613	1,735,220	(2,055,782)	3,504,246	18,736,646
General and administrative expenses	(1,893,166)	(3,264,788)	(2,340,698)	(379,686)	(3,116,692)	-	(1,922,269)	(12,917,299)
Selling and marketing expenses	-	(3,196,232)	-	(1,627,442)	-	-	-	(4,823,674)
Management and consultancy costs	-	-	-	-	-	-	(250,689)	(250,689)
Foreign currency gain / (loss)	-	55,656	-	(24,656)	-	-	258,616	289,616
Net (loss) / income from operations	(313,078)	2,525,506	892,693	(223,171)	(1,381,472)	(2,055,782)	1,589,904	1,034,600
Finance expenses	(239,226)	(799,685)	-	(16,325)	(187,903)	-	(553,832)	(1,796,971)
Depreciation and amortization	(44,399)	(102,119)	(106,135)	(156,998)	(551,404)	-	(282,532)	(1,243,587)
Other income	107,950	489,928	408,839	37,187	9,507	-	902,953	1,956,364
(Loss) / profit for the period before National Labor Support Tax and Zakat	(488,753)	2,113,630	1,195,397	(359,307)	(2,111,272)	(2,055,782)	1,656,493	(49,594)
Loss for the period								(49,594)
Attributable to:								
Shareholders of the Parent Company								(813,868)
Non-controlling interests								764,274
								(49,594)

	September 30, 2021							
	Financial services (Real estate)	Pharma	Education	Food and beverage	IT solutions	Oil and construction	Unallocated	Total
Operating revenue	1,096,031	19,934,026	3,881,825	4,874,655	26,726,992	-	-	56,513,529
Operating costs	-	(9,435,316)	(1,037,519)	(2,592,543)	(22,164,861)	-	-	(35,230,239)
Gross profit from subsidiaries	1,096,031	10,498,710	2,844,306	2,282,112	4,562,131	-	-	21,283,290
Profit from operations	1,625,830	10,148,555	2,814,086	2,282,866	4,562,132	415,751	1,829,729	23,678,949
General and administrative expenses	(2,002,869)	(3,717,968)	(2,322,228)	(309,808)	(4,010,005)	-	(2,009,293)	(14,372,171)
Selling and marketing expenses	-	(2,826,415)	-	(1,806,531)	(31,889)	-	-	(4,664,835)
Management and consultancy costs	-	(151,487)	(33,985)	(43,833)	-	-	(347,010)	(576,315)
Foreign exchange gain / (loss)	(9,613)	3,473	-	(20,946)	-	-	10,038	(17,048)
Net (loss) / income from operations	(386,652)	3,456,158	457,873	101,748	520,238	415,751	(516,536)	4,048,580
Finance expenses	(354,949)	(858,856)	-	(15,138)	(425,724)	-	(578,874)	(2,233,541)
Depreciation and amortization	(37,116)	(108,477)	(133,756)	(47,754)	(558,411)	-	(349,767)	(1,235,281)
Other income	121,678	348,589	57,906	60,977	(22,626)	-	136,650	703,174
Profit for the period from continuing operations	(657,039)	2,837,414	382,023	99,833	(486,523)	415,751	(1,308,527)	1,282,932
Profit for the period from discontinued operations	-	-	-	-	-	2,373,597	-	2,373,597
Profit for the period before NLST and Zakat	(657,039)	2,837,414	382,023	99,833	(486,523)	2,789,348	(1,308,527)	3,656,529
Contribution to NLST	-	-	-	-	-	-	(118,155)	(118,155)
Zakat	-	-	-	-	-	-	(31,927)	(31,927)
Profit for the period								3,506,447
Attributable to:								
Shareholders of the Parent Company's								2,419,982
Non-controlling interests								1,086,465
								3,506,447

14- General Assembly

Annual General Assembly of the Parent Company's shareholders held on 23 March 2022 approved the consolidated financial statements for the financial year ending on December 31, 2021, and approved to distribute cash dividends of 9 fils per share, and not to distribute Board of Director's remuneration for the financial year ending in December 31, 2021.

Annual General Assembly of the Parent Company's shareholders held on 24 March 2021 approved the consolidated financial statements for the financial year ending on December 31, 2020 and approved not to distribute cash dividends and not to distribute Board of Director's remuneration for the financial year ending on December 31, 2020.

15- 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 assets recorded at fair value by level of the fair value hierarchy:

September 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:				
Quoted securities	**16,050,648**	**-**	**-**	**16,050,648**
Unquoted securities	**-**	**-**	**12,786,117**	**12,786,117**
Financial assets at fair value through other comprehensive income:				
Quoted securities	**1,462,148**	**-**	**-**	**1,462,148**
Unquoted securities	**-**	**-**	**19,453,994**	**19,453,994**
Funds and portfolios	**-**	**4,602**	**-**	**4,602**

December 31, 2021 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Quoted securities	20,078,118	-	-	20,078,118
Unquoted securities	-	-	13,761,155	13,761,155
Financial assets at fair value through other comprehensive income:				
Quoted securities	1,618,229	-	-	1,618,229
Unquoted securities	-	-	17,582,529	17,582,529
Funds and portfolios	-	334,363	-	334,363

September 30, 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Quoted securities	22,133,090	-	-	22,133,090
Unquoted securities	-	-	11,757,891	11,757,891
Financial assets at fair value through other comprehensive income:				
Quoted securities	94,435	-	-	94,435
Unquoted securities	-	-	15,139,874	15,139,874
Funds and portfolios	-	392,205	-	392,205

During the period/year, there have been no transfers among first, second and third levels.