

MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

CONTENTS

Report on Review of interim condensed consolidated financial information	
	<u>Pages</u>
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 – 13

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION www.rsm.global/kuwait

To the Board of Directors of
Mubarrad Holding Company - K.S.C.P. and its subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company - K.S.C.P. (the "Parent Company") and its subsidiaries (Collectively the "Group") as at March 31, 2021, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity, and cash flows for the three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, its Executive Regulations as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the three months period ended March 31, 2021 that might have had a material effect on the Parent Company's financial position or result of its operations.

-2-

We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010 and its Executive Regulations, as amended, relating to the Capital Markets Authority and its related regulations during the period ended March 31, 2021 that might have had a material effect on the Parent Company's financial position or results of its operations.

State of Kuwait
May 11, 2021

A blue ink signature of Dr. Shuaib A. Shuaib, consisting of a stylized, flowing script.

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

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

			December 31, 2020 (Audited)	March 31, 2020
ASSETS	Notes	March 31, 2021		
Current assets:				
Cash and cash equivalents	3	2,019,322	1,298,691	3,301,997
Term deposits	4	1,550,000	1,000,000	-
Accounts receivable and other debit balances		1,048,553	2,235,046	987,482
Due from a related party	5	-	-	8,165
Inventories		16,753	18,022	617,045
Total current assets		4,634,628	4,551,759	4,914,689
Non-current assets:				
Financial assets at fair value through profit or loss		894,459	894,459	895,163
Investment in associate	6	3,741,871	3,587,040	3,808,535
Investment properties		14,052,586	14,062,354	14,205,078
Property, plant and equipment		73,112	88,514	1,276,602
Goodwill		91,005	91,005	91,005
Total non-current assets		18,853,033	18,723,372	20,276,383
Total assets		23,487,661	23,275,131	25,191,072
LIABILITIES AND EQUITY				
Current liabilities:				
Lease liabilities	7	1,635,098	1,828,791	2,313,767
Accounts payable and other credit balances		1,186,027	1,168,752	1,248,613
Due to a related party	5	655	655	655
Total current liabilities		2,821,780	2,998,198	3,563,035
Non-current liabilities:				
Lease liabilities	7	-	-	19,797
Provision for end of service indemnity		335,217	327,490	506,859
Total non-current liabilities		335,217	327,490	526,656
Total liabilities		3,156,997	3,325,688	4,089,691
Equity:				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,064,855	1,064,855	1,064,121
Treasury shares		(671)	(671)	(671)
Treasury shares reserve		84,388	84,388	84,388
Other components of equity		(3,594)	(3,594)	(3,594)
Effect of changes in other comprehensive income of associate		117,874	117,874	117,874
Foreign currencies translation reserve		(1,415,031)	(1,411,873)	(1,216,566)
Retained earnings		4,061,816	3,677,433	4,630,063
Equity attributable to Shareholders of the Parent Company		20,278,914	19,897,689	21,044,892
Non-controlling interests		51,750	51,754	56,489
Total equity		20,330,664	19,949,443	21,101,381
Total liabilities and equity		23,487,661	23,275,131	25,191,072

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

Abdullah Mohammed Al-Shatti
Chairman

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

		Three months ended March 31,	
	Notes	2021	2020 (*)
Continuing operations:			
Revenues from transportation, leasing and maintenance operations		14,507	75,686
Cost of transportation, leasing and maintenance operations		(24,741)	(102,501)
Gross loss		(10,234)	(26,815)
Rental revenues		434,013	392,137
Rental costs		(64,281)	(54,381)
Gross profit		369,732	337,756
Total gross profit		359,498	310,941
General and administrative expenses		(162,043)	(139,698)
Allowance for expected credit losses		-	(9,952)
Operating profit		197,455	161,291
Group's share of results from associate	6	148,102	(6,112)
Gain on sale of property, plant and equipment		2,650	40,412
Bank deposits return income		7,940	12,081
Finance charges		(16,149)	(36,937)
Foreign currencies exchange differences		1,947	11,894
Other income		60,408	163
Profit for the period from continuing operations before discontinued operations and contributions to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST), and Zakat		402,353	182,792
Discontinuing operations:			
Loss for the period from discontinued operations	9	-	(37,250)
Profit for the period before contribution to KFAS, NLST, and Zakat		402,353	145,542
Contribution to KFAS		(3,621)	(1,307)
Contribution to NLST		(10,252)	(4,368)
Contribution to Zakat		(4,101)	(1,489)
Profit for the period		384,379	138,378
Attributable to:			
Shareholders of the Parent Company		384,383	138,107
Non-controlling interests		(4)	271
		384,379	138,378
Earnings per share attributable to shareholders of the Parent Company		Fils	Fils
Basic earnings per share from continuing operations	8	2.35	1.07
Basic loss per share from discontinued operations	8	-	(0.23)
Basic earnings per share attributable to Shareholders of the Parent Company	8	2.35	0.84

(*) Certain figures for the comparative period ended March 31, 2020 have been reclassified to discontinued operations (Note 9).

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2021	2020
Profit for the period	<u>384,379</u>	<u>138,378</u>
Other comprehensive (loss) income:		
<u>Item that may be reclassified subsequently to interim condensed consolidated statements of profit or loss:</u>		
Exchange differences on translating foreign operations	<u>(3,158)</u>	<u>241,655</u>
Other comprehensive (loss) income for the period	<u>(3,158)</u>	<u>241,655</u>
Total comprehensive income for the period	<u>381,221</u>	<u>380,033</u>
Attributable to:		
Shareholders of the Parent Company	<u>381,225</u>	<u>379,762</u>
Non-controlling interests	<u>(4)</u>	<u>271</u>
	<u>381,221</u>	<u>380,033</u>

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company										
	Effect of changes										
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Other components of equity	in other comprehensive income of associate	Foreign currencies translation reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
Balance at January 1, 2021	16,369,277	1,064,855	(671)	84,388	(3,594)	117,874	(1,411,873)	3,677,433	19,897,689	51,754	19,949,443
Profit (loss) for the period	-	-	-	-	-	-	-	384,383	384,383	(4)	384,379
Other comprehensive loss for the period	-	-	-	-	-	-	(3,158)	-	(3,158)	-	(3,158)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(3,158)	384,383	381,225	(4)	381,221
Balance at March 31, 2021	16,369,277	1,064,855	(671)	84,388	(3,594)	117,874	(1,415,031)	4,061,816	20,278,914	51,750	20,330,664
Balance at January 1, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,458,221)	4,491,956	20,665,130	56,218	20,721,348
Profit for the period	-	-	-	-	-	-	-	138,107	138,107	271	138,378
Other comprehensive income for the period	-	-	-	-	-	-	241,655	-	241,655	-	241,655
Total comprehensive income for the period	-	-	-	-	-	-	241,655	138,107	379,762	271	380,033
Balance at March 31, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,216,566)	4,630,063	21,044,892	56,489	21,101,381

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended March 31,	
		2021	2020
Cash flows from operating activities:			
Profit for the period from continued operations		402,353	182,792
Loss for the period from discontinued operations	9	-	(37,250)
Profit for the period before contributions to KFAS, NLST and Zakat		402,353	145,542
Adjustments for:			
Depreciation		-	14,933
Allowance for expected credit losses		-	9,952
Group's share of results from associate	6	(148,102)	6,112
Gain on sale of property, plant and equipment		(2,650)	(40,412)
Bank deposits return income		(7,940)	(12,081)
Finance charges		16,149	37,142
Provision for end of service indemnity		13,350	22,854
		273,160	184,042
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		1,186,493	141,863
Net movement in related parties		(669)	5,165
Inventories		1,269	(11,728)
Accounts payable and other credit balances		4,953	(99,657)
Cash flows generated from operations		1,465,206	219,685
Payment for end of service indemnity		(5,623)	(3,366)
Net cash flows generated from operating activities		1,459,583	216,319
Cash flows from investing activities:			
Net movement in term deposits		(550,000)	-
Paid for purchase of property, plant and equipment		-	(1,115)
Proceeds from sale of property, plant and equipment		18,052	238,913
Paid for purchase of financial assets at fair value through profit or loss		-	(7,274)
Bank deposits return income received		7,940	12,081
Net cash flows (used in) generated from investing activities		(524,008)	242,605
Cash flows from financing activities:			
Payment of lease liabilities		(193,693)	(124,415)
Cash dividends paid		(5,652)	(3,260)
Finance charges paid		(16,149)	(11,753)
Net cash flows used in financing activities		(215,494)	(139,428)
Foreign currencies translation adjustments		550	(39,560)
Net increase in cash and cash equivalents		720,631	279,936
Cash and cash equivalents at the beginning of the period		1,298,691	3,022,061
Cash and cash equivalents at the end of the period	3	2,019,322	3,301,997

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of Parent Company

Mubarrad Holding Company "the Parent Company" is a Kuwaiti public Shareholding Company registered in State of Kuwait and was incorporated pursuant to memorandum of Incorporation of a limited liability Company, authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department – under No. 366/Volume 1 dated March 6, 1996 and its subsequent amendments, the latest of which was notarized in the Parent Company's commercial registration on December 4, 2017.

The main activities for which the Parent Company was incorporated are as follows:

- Managing the Parent Company's subsidiaries and participating in managing other companies in which it holds ownership stakes and providing necessary support thereto.
- Investing funds through trading in shares, bonds, and other financial securities.
- Acquisition of properties and movables necessary to carry out business activities as allowable by the Law.
- Financing and extending loans to investee companies and providing guarantees to third parties, provided that the ownership of the Parent Company is not less than 20% in the capital of the lending company.
- Acquisition of industrial rights and related intellectual properties, trademarks, industrial models, franchises and other rights, and renting such properties and rights to subsidiaries and other companies, inside State of Kuwait or abroad.

The Parent Company is registered in the commercial register under Ref. No. 64715 on October 10, 2004.

The registered address of the Parent Company's office is Old Khaitan, Block 29, Street 22, State of Kuwait.

The Parent Company is 39.152% owned by A'ayan Leasing and Investment Group K.S.C. (Public) ("The Ultimate Parent Company").

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on May 11, 2021.

2. Basis of presentation

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent company.

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, 2020 except for the change in accounting policies due to adoption of new standards. The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in January 1, 2021, do not have a material impact on the interim condensed consolidated financial information of the Group.

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

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

3. Cash and cash equivalents

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Cash on hand and at banks	1,044,322	1,298,691	1,551,997
Short term bank deposits	975,000	-	1,750,000
	<u>2,019,322</u>	<u>1,298,691</u>	<u>3,301,997</u>

The effective rate of return on short term bank deposits is 1.1% per annum (March 31, 2020: from 3.25% to 3.5% per annum); these deposits have an average contractual maturity of 90 days (March 31, 2020: 90 days).

4. Term deposits

The effective rate of return on term deposits is 1.3% per annum (December 31, 2020: 1.3% per annum); these deposits have an average contractual maturity of six months (December 31, 2020: six months).

5. Related party disclosures

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

	Major shareholders	Other related parties	March 31, 2021	Total December 31, 2020 (Audited)	March 31, 2020
Balances included in the interim condensed consolidated statement of financial position:					
Due from a related party	-	-	-	-	8,165
Investment property (real estate portfolio managed by a related party)	2,560,000	-	2,560,000	2,560,000	2,560,000
Financial assets at fair value through profit or loss	-	292,486	292,486	292,486	290,705
Due to a related party	(655)	-	(655)	(655)	(655)

Compensation to key management personnel

	Three months ended March 31	
	2021	2020
Short term benefits	20,561	29,589
Termination benefits	2,561	3,451
	<u>23,122</u>	<u>33,040</u>

6. Investment in associate

Movement during the period / year is as follows:

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Balance at the beginning of the period / year	3,587,040	3,784,469	3,784,469
Group's share of results from associate	148,102	(155,793)	(6,112)
Foreign currency translation adjustments	6,729	(41,636)	30,178
Balance at the end of the period / year	<u>3,741,871</u>	<u>3,587,040</u>	<u>3,808,535</u>

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

7. Lease liabilities

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Gross amount of lease liabilities	1,683,894	1,828,791	2,374,997
Less: Unamortized future finance charges	(48,796)	-	(41,433)
Present value of lease liabilities	<u>1,635,098</u>	<u>1,828,791</u>	<u>2,333,564</u>

Analyzed as:

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Current portion	1,635,098	1,828,791	2,313,767
Non-current portion	-	-	19,797
	<u>1,635,098</u>	<u>1,828,791</u>	<u>2,333,564</u>

The Parent Company renewed a lease agreement which contains a bargain purchase option with a local bank, to finance the purchase of a right of utilization of an industrial plot, located at third Shuwaikh Industrial Area, Block (D), Plot No. (165), for annual rental payments due on December 31, 2021 with a bargain purchase option upon settlement of the contractual payments. The finance lease agreement is renewed annually until the full settlement of the finance lease liability, with a bargain purchase option upon the settlement of all contractual payments. The leased asset is registered under the name of the lending bank until the settlement of all contractual payments.

8. Basic earnings per share attributable to Shareholders of the Parent Company

There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months period ended March 31,	
	2021	2020
Profit for the period attributable to Shareholders of the Parent Company from continued operations	384,383	175,357
Loss for the period attributable to Shareholders of the Parent Company from discontinued operations (Note 9).	-	(37,250)
Profit for the period attributable to Shareholders of the Parent Company	<u>384,383</u>	<u>138,107</u>
<u>Number of outstanding shares:</u>	<u>Shares</u>	<u>Shares</u>
	163,692,769	163,692,769
Less: Weighted average number of treasury shares	(10,996)	(10,996)
Weighted average number of shares outstanding	<u>163,681,773</u>	<u>163,681,773</u>
	<u>Fils</u>	<u>Fils</u>
Basic earnings per share from continuing operations	2.35	1.07
Basic loss per share from discontinued operations	-	(0.23)
Basic earnings per share attributable to Shareholders of the Parent Company	<u>2.35</u>	<u>0.84</u>

9. Discontinued operations

During the year ended December 31, 2020, the Parent Company sold its subsidiary – Batic Manufacturing Company – W.L.L. which was fully owned by the Parent Company. Accordingly, the results of the subsidiary for the comparative period ended March 31, 2020 amounted to KD 37,250 have been reclassified as discontinued operations in the interim condensed consolidated statement of profit or loss.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

10. Shareholders' Annual Ordinary General Assembly

The Shareholders' Annual Ordinary General Assembly held on March 22, 2021 approved the consolidated financial statements for the year ended December 31, 2020 and approved the Board of Directors' recommendation not to distribute cash dividends, bonus shares, or remuneration to the Board of Directors for the year ended December 31, 2020.

The Shareholders' Annual Ordinary General Assembly held on June 24, 2020 approved the consolidated financial statements for the year ended December 31, 2019 and approved the distribution of 5% cash dividends, equivalent to 5 fils per share, for a total amount of KD 818,409 and remuneration to the Board of Directors for KD 30,000.

11. Segment information

For management purposes, the following activities were classified as operating segments:

Operating segment	Description
Transportation, leasing and maintenance segment	Represents goods transport, lease and charter means of transportation and maintenance of other vehicles
Investment segment	Represents financial assets at fair value through profit or loss, investment in associate, and investment properties.

Information related to each reportable operating segments is set out below:

Three months ended March 31, 2021				
	Transportation, leasing and maintenance segment	Investment segment	Total	
Total revenues	22,273	647,294	669,567	
Total costs	(52,598)	(232,590)	(285,188)	
(Loss) profit for the period	(30,325)	414,704	384,379	

March 31, 2021				
	Transportation, leasing and maintenance segment	Investment segment	Eliminations	Total
Total segment assets	2,947,191	29,511,192	(8,970,722)	23,487,661
Total segment liabilities	(314,123)	(5,798,375)	2,955,501	(3,156,997)

December 31, 2020 (Audited)				
	Transportation, leasing and maintenance segment	Investment segment	Eliminations	Total
Total segment assets	2,957,417	29,088,904	(8,771,190)	23,275,131
Total segment liabilities	(324,173)	(5,933,749)	2,932,234	(3,325,688)

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31, 2020			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Total
Total revenues	121,246	166,738	411,127	699,111
Total costs	(143,811)	(203,988)	(212,934)	(560,733)
(Loss) profit for the period	(22,565)	(37,250)	198,193	138,378

	March 31, 2020				
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Eliminations	Total
Total segment assets	3,260,134	2,129,134	30,457,748	(10,655,944)	25,191,072
Total segment liabilities	(390,108)	(466,766)	(6,237,351)	3,004,534	(4,089,691)

(*) Related to the disposed subsidiary – Batic Manufacturing Company – W.L.L. as disclosed in Note (9) to the accompanying interim condensed consolidated financial information and Note (7) in the annual consolidated financial statements of the Group for the year ended December 31, 2020.

Information related to geographical locations is set out below:

	Three months period ended March 31, 2021				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Revenues	700,933	153,311	854,244	(184,677)	669,567
Total segment assets	28,265,593	4,192,790	32,458,383	(8,970,722)	23,487,661
Total segment liabilities	(4,838,891)	(1,273,607)	(6,112,498)	2,955,501	(3,156,997)

	Three months period ended March 31, 2020				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Revenues	668,889	163,570	832,459	(133,348)	699,111
Total segment assets	31,719,700	4,127,316	35,847,016	(10,655,944)	25,191,072
Total segment liabilities	(5,614,535)	(1,479,690)	(7,094,225)	3,004,534	(4,089,691)

12. Fair value measurement

The Group measures its financial assets at fair value through profit or loss and investment properties at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021
 (All amounts are in Kuwaiti Dinars)

- 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 presents the Group's financial assets at fair value through profit or loss and investment properties measured at fair value, by level of fair value hierarchy:

March 31, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,247	465,968	427,244	894,459
Investment properties	-	3,842,586	10,210,000	14,052,586
Total	1,247	4,308,554	10,637,244	14,947,045
December 31, 2020 (Audited)				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,247	465,968	427,244	894,459
Investment properties	-	3,852,354	10,210,000	14,062,354
Total	1,247	4,318,322	10,637,244	14,956,813
March 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,746	464,193	429,224	895,163
Investment properties	-	10,245,078	3,960,000	14,205,078
Total	1,746	10,709,271	4,389,224	15,100,241

Management of the Parent Company believe that no significant changes have occurred in the fair values of the financial assets at fair value through profit or loss and investment properties during the three months period ended March 31, 2021.

13. Risk management and COVID -19

A year since the advent of the COVID - 19 pandemic, various economies and sectors continue to face disruptions and uncertainty as a result of the pandemic and corresponding measures taken by the governments to contain the spread of the virus.

The Parent Company continues to be impacted due to the outbreak and Management continues its efforts to mitigate the associated risk. The management of credit and liquidity risks along with the application of significant estimate and judgements are described in the annual audited consolidated financial statements of the Parent Company for the year ended December 31, 2020 and no material changes have taken place in the risk management process.