



شركة السينما الكويتية الوطنية
KUWAIT NATIONAL CINEMA COMPANY...

Kuwait National Cinema Company K.P.S.C.

And its subsidiaries

State of Kuwait

**Interim Condensed Consolidated Financial Information
and Review Report**

For the nine months ended 30 September 2021

(Unaudited)



Kuwait National Cinema Company K.P.S.C.

And its Subsidiaries

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Kuwait National Cinema Company K.P.S.C

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait National Cinema Company - K.P.S.C ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2021 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month 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 International Accounting Standard No. (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 No. (34) "Interim Financial Reporting".

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 the Parent Company. To the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulation, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2021 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2021, that might have had a material effect on the business of Group or on its consolidated financial position.



Bader A. Al-Wazzan

License No. 62 A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait, 10 November 2021

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2021

(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	30 September 2021	31 December 2020 (Audited)	30 September 2020
ASSETS				
Non-current assets				
Property, plant and equipment	4	47,337,815	34,420,143	30,271,146
Investments properties		4,656,722	4,656,722	4,673,004
Right-of-use assets	5	19,553,191	22,199,940	10,888,916
Intangible assets		24,342	2,207	19,847
Investments in an associate	6	40,032,311	36,205,862	35,205,348
Investments at FVTOCI	7	6,346,424	5,540,909	5,584,990
Trade and other receivables		727,513	784,046	784,046
		<u>118,678,318</u>	<u>103,809,829</u>	<u>87,427,297</u>
Current assets				
Inventories		994,273	891,150	108,794
Trade and other receivables		516,726	379,160	1,558,659
Cash at banks, on hand and investment portfolios	8	20,717,830	20,321,601	20,531,864
		<u>22,228,829</u>	<u>21,591,911</u>	<u>22,199,317</u>
Total assets		<u>140,907,147</u>	<u>125,401,740</u>	<u>109,626,614</u>
Equity and liabilities				
Equity				
Share capital		10,106,250	10,106,250	10,106,250
Treasury shares	9	(8,201,231)	(8,201,231)	(8,201,231)
Statutory reserve		5,065,834	5,065,834	5,065,834
Voluntary reserve		14,241,729	14,241,729	14,241,729
Other reserves	10	18,184,300	17,167,943	16,390,386
Retained earnings		31,570,156	28,806,250	30,691,310
Equity attributable to the Parent Company's shareholders		<u>70,967,038</u>	<u>67,186,775</u>	<u>68,294,278</u>
Non-controlling interest		16,393	18,215	19,483
		<u>70,983,431</u>	<u>67,204,990</u>	<u>68,313,761</u>
Liabilities				
Non-current liabilities				
Lease liabilities	5	18,493,384	20,797,466	9,065,255
Loans and bank facilities	12	18,203,604	-	-
Post-employment benefits		1,448,136	1,462,036	1,636,713
		<u>38,145,124</u>	<u>22,259,502</u>	<u>10,701,968</u>
Current liabilities				
Trade and other payables	11	13,199,006	10,328,357	8,722,851
Lease liabilities	5	1,492,839	1,762,879	1,859,372
Loans and bank facilities	12	17,086,747	23,846,012	20,028,662
		<u>31,778,592</u>	<u>35,937,248</u>	<u>30,610,885</u>
Total liabilities		<u>69,923,716</u>	<u>58,196,750</u>	<u>41,312,853</u>
Total equity and liabilities		<u>140,907,147</u>	<u>125,401,740</u>	<u>109,626,614</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Abdul Wahab Marzouq Al-Marzouq
Chairman

Hisham Fahad Al-Ghanim
Vice Chairman

Interim Condensed Consolidated Statement of Income for the nine months ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2021	2020	2021	2020
Operating revenues		2,957,138	645,445	4,560,572	4,941,674
Operating costs		(2,523,367)	(1,701,794)	(5,636,946)	(6,755,297)
Gross profit/ (loss)		433,771	(1,056,349)	(1,076,374)	(1,813,623)
Other operating income	13	2,313,327	523,291	3,972,893	3,368,180
General and administrative expenses		(414,025)	(550,460)	(1,335,029)	(1,668,015)
Other operating expenses		(745,383)	(394,943)	(1,705,114)	(1,395,556)
Net (loss)/ gain of financial investments		(1,184)	(1,231)	(3,545)	105,581
Group's share in an associate results	6	1,674,707	(1,548,613)	3,702,546	(3,361,337)
Finance costs		(192,209)	(207,834)	(713,321)	(652,990)
Net profit/ (loss) before deductions		3,069,004	(3,236,139)	2,842,056	(5,417,760)
National Labour Support Tax		(73,223)	-	(73,223)	-
Net profit/ (loss) for the period		2,995,781	(3,236,139)	2,768,833	(5,417,760)
Attributable to:					
Parent Company's shareholders		2,994,117	(3,237,461)	2,763,906	(5,423,758)
Non-controlling interest		1,664	1,322	4,927	5,998
		2,995,781	(3,236,139)	2,768,833	(5,417,760)
Earnings/ (loss) per share (fils)	14	32.33	(34.93)	29.85	(58.51)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the nine months ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Net profit/ (loss) for the period	2,995,781	(3,236,139)	2,768,833	(5,417,760)
Other comprehensive income items:				
Items that will not be reclassified subsequently to statement of income:				
Net changes in fair value of financial investments at fair value through OCI	479,245	(591,250)	889,111	(2,780,418)
Group's share in an associates' reserves (note 6)	182,105	112,721	134,316	(920,643)
	661,350	(478,529)	1,023,427	(3,701,061)
Items that may be reclassified subsequently to statement of income:				
Group's share in an associate's reserve (note 6)	3,855	(1,844)	(10,413)	26,376
Foreign currency translation differences of a subsidiary	613	(7,571)	3,343	(12,075)
	4,468	(9,415)	(7,070)	14,301
Other comprehensive income/ (loss) for the period	665,818	(487,944)	1,016,357	(3,686,760)
Total comprehensive income/ (loss) for the period	3,661,599	(3,724,083)	3,785,190	(9,104,520)
Attributable to:				
Parent Company's shareholders	3,659,935	(3,725,405)	3,780,263	(9,110,518)
Non-controlling interest	1,664	1,322	4,927	5,998
	3,661,599	(3,724,083)	3,785,190	(9,104,520)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Equity attributable to shareholders of the Parent Company							Non- controlling Interest	Total
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 10)	Retained earnings	Total		
Balance as at 1 January 2020	10,106,250	(8,122,474)	5,065,834	14,241,729	20,077,146	39,360,176	80,728,661	39,735	80,768,396
Net loss for the period	-	-	-	-	-	(5,423,758)	(5,423,758)	5,998	(5,417,760)
Other comprehensive loss for the period	-	-	-	-	(3,686,760)	-	(3,686,760)	-	(3,686,760)
Total comprehensive loss for the period	10,106,250	(8,122,474)	5,065,834	14,241,729	16,390,386	33,936,418	71,618,143	45,733	71,663,876
Purchase of treasury shares	-	(78,757)	-	-	-	-	(78,757)	-	(78,757)
Cash dividends	-	-	-	-	-	(3,245,108)	(3,245,108)	-	(3,245,108)
Impact of cash dividends in subsidiaries	-	-	-	-	-	-	-	(26,250)	(26,250)
Balance as at 30 September 2020	10,106,250	(8,201,231)	5,065,834	14,241,729	16,390,386	30,691,310	68,294,278	19,483	68,313,761
Balance as at 1 January 2021	10,106,250	(8,201,231)	5,065,834	14,241,729	17,167,943	28,806,250	67,186,775	18,215	67,204,990
Net profit for the period	-	-	-	-	-	2,763,906	2,763,906	4,927	2,768,833
Other comprehensive income for the period	-	-	-	-	1,016,357	-	1,016,357	-	1,016,357
Total comprehensive income for the period	-	-	-	-	1,016,357	2,763,906	3,780,263	4,927	3,785,190
Cash dividends in subsidiary	-	-	-	-	-	-	-	(6,749)	(6,749)
Balance as at 30 September 2021	10,106,250	(8,201,231)	5,065,834	14,241,729	18,184,300	31,570,156	70,967,038	16,393	70,983,431

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows for the nine months ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Nine months ended	
		2021	2020
Cash flows from operating activities			
Net profit/ (loss) for the period		2,768,833	(5,417,760)
<i>Adjustments:</i>			
Depreciation and amortization		1,412,838	1,854,411
Amortization of right-of-use assets		1,416,674	1,624,660
Rental exemptions		(540,601)	(971,401)
Profit on disposal of right of use assets		(66,437)	-
Net (losses)/ profits from investments at FVTOCI		3,545	(105,581)
Group's share in an associate's results		(3,702,546)	3,361,337
Post-employment benefits		87,766	147,045
Finance costs		252,330	342,066
Interest portion of lease liability		460,991	310,924
Operating cash flows before changes in operating assets and liabilities		2,093,393	1,145,701
Inventories		(103,123)	(234,652)
Trade and other receivables		(79,593)	(3,662,647)
Trade and other payables		1,712,430	(1,050,640)
Cash generated from/ (used in) operating activities		3,632,107	(3,802,238)
Post-employment benefits paid		(101,666)	(265,374)
Net cash generated from/ (used in) operating activities		3,521,441	(4,067,612)
Cash flows from investment activities			
Paid for purchase of property, plant and equipment		(12,769,300)	(4,580,644)
Paid for purchase of intangible assets		(466,367)	(143,796)
Dividends received		-	105,581
Proceeds from sale of investments at FVTOCI		83,596	-
Net cash used in investing activities		(13,152,071)	(4,618,859)
Cash flows from financing activities			
Loans and bank facilities		11,444,339	5,320,619
Paid for purchase of treasury shares		-	(78,757)
Finance costs paid		(189,191)	(361,859)
Repayment of lease liability		(1,198,000)	(730,367)
Dividends paid		(30,289)	(3,113,057)
Net cash generated from financing activities		10,026,859	1,036,579
Net change in cash and cash equivalents		396,229	(7,649,892)
Cash and cash equivalents at the beginning of the period		20,326,043	28,190,494
Cash and cash equivalents at the end of the period	8	20,722,272	20,540,602

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Company's incorporations

Kuwait National Cinema Company K.P.S.C. "the Parent Company" is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 5 October 1954 and is licensed to engage in all activities relating to the cinema industry, entertainment, and cultural events.

The Parent Company is listed on the Boursa Kuwait.

The Parent Company's address is Old Khaitan area, block number 9, building Number 164, second floor, office (1+2), P.O. Box 502 Safat, 13006 Safat, Kuwait.

This Consolidated financial information includes the financial information of the Parent Company and the financial information of its following subsidiaries "together referred to as the Group":

	Ownership percentage (%)	Activity	Incorporation country
International Film Distribution Company K.S.C.C.	99.25	Publishing and film distribution	Kuwait
Al-Kout Film Production and Distribution Company S.A.E.	100	Production and film distribution	Egypt

On 21 April 2021, the General Assembly of the Parent Company's shareholders approved the consolidated financial statements for the year ended 31 December 2020, also approved the non-distribution of dividends for the year 2020. Also approved the non-distribution of the Board of Directors remuneration for 2020.

The interim condensed consolidated financial information for the nine months ended 30 September 2021 was authorized for issuance by the Board of Directors on 10 November 2021.

2. Basis of presentation and significant accounting policies

2.1 Basis of presentation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 September 2021 are not necessarily indicative of results that may be expected for the year ending 31 December 2021. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2020.

2.2 Summary of changes in significant accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2021 and which did not result in any material impact on the interim condensed consolidated financial information of the Group.

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: valuation techniques that are not based on observable market data.

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

	Fair value as at			Fair value hierarchy	Significant unobservable inputs	Valuation technique(s) and Key input(s)	Relation of unobservable inputs to fair value
	30 September 2021	31 December 2020	30 September 2020				
Equity instruments designated as FVTOCI							
Quoted shares	5,472,902	4,625,243	4,601,232	Level 1	N/A	Last bid price	N/A
Investment funds	4,168	4,168	4,168	Level 2	N/A	Net assets value	N/A
Unquoted shares	52,832	52,832	84,848	Level 3	Discount rate	Market multiply	Higher discount results in value decline
Unquoted shares	32,016	32,016	32,016	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	784,506	826,650	862,726	Level 3	N/A	Net adjusted book value	N/A

The fair value of other financial assets and financial liabilities are approximately equal its book value as at the interim financial information date.

4. Property, plant and equipment

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Property, plant and equipment	29,053,996	19,248,464	6,902,043
Project under progress	18,283,819	15,171,679	23,369,103
	<u>47,337,815</u>	<u>34,420,143</u>	<u>30,271,146</u>

The movement in property, plant and equipment during the period/year is as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Net carrying value at the beginning of the period / year	34,420,143	22,770,559	22,770,559
Additions during the period / year	13,887,920	13,021,405	8,429,992
Revaluation of lands	-	(126,070)	-
Disposals during the period / year	(1,296,171)	(707)	-
Depreciation of disposals during the period / year	1,296,171	-	-
Depreciation during the period / year	(970,248)	(1,245,044)	(929,405)
Net carrying value at the end of the period / year	<u>47,337,815</u>	<u>34,420,143</u>	<u>30,271,146</u>

- The projects under progress include an amount of KD 25,190,991 as at 30 September 2021 (KD 13,986,782 as at 31 December 2020, KD 10,052,559 as at 30 September 2020) for construction works of a commercial, entertainment and cultural complex in the South Sabahiya area.

- Additions include KD 340,327 finance costs for the period ended 30 September 2021 (KD 89,797 during 2020, KD Nil during the period ended 30 September 2020).

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Right-of-use assets

The Group as a lessee has leased several assets including buildings and lands. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	30 September 2021 (Unaudited)			31 December 2020	30 September 2020
	Buildings	Lands	Total	(Audited)	(Unaudited)
1 January	9,587,839	12,612,101	22,199,940	12,513,576	12,513,576
Additions	-	-	-	11,852,632	-
Disposal	(1,230,075)	-	(1,230,075)	-	-
Amortization	(1,316,898)	(99,776)	(1,416,674)	(2,166,268)	(1,624,660)
As at end of the period/ year	<u>7,040,866</u>	<u>12,512,325</u>	<u>19,553,191</u>	<u>22,199,940</u>	<u>10,888,916</u>
Life (year)	<u>2-7</u>	<u>6-22</u>			

During the period, the Group disposed of the right to use the assets of certain sites, which is mainly due to the modification and exclusion of some contracts for those sites.

Lease liabilities

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Non-Current lease liabilities			
Amounts due for settlement after 12 months	18,493,384	20,797,466	9,065,255
Current lease liabilities			
Amounts due for settlement within 12 months	<u>1,492,839</u>	<u>1,762,879</u>	<u>1,859,372</u>
	<u>19,986,223</u>	<u>22,560,345</u>	<u>10,924,627</u>

Maturity analysis

Maturity dates of undiscounted lease liabilities are as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Not later than 1 year	1,492,839	1,762,879	1,859,372
Later than 1 year and not later than 5 years	11,398,000	12,669,257	9,041,842
Later than 5 years	<u>11,017,623</u>	<u>12,235,798</u>	<u>1,224,155</u>
	<u>23,908,462</u>	<u>26,667,934</u>	<u>12,125,369</u>

The breakdown of related lease amounts recognised in profit and loss is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Amortization expense on right-of-use assets	437,648	541,609	1,416,675	1,624,660
Interest expense on lease liabilities	146,841	99,866	460,990	310,924
Expense relating to short-term leases	-	76,520	106,014	229,559
Expense relating to variable lease payments not included in the measurement of the lease liability	<u>278,660</u>	<u>(4,001)</u>	<u>386,762</u>	<u>192,523</u>
	<u>863,149</u>	<u>713,994</u>	<u>2,370,441</u>	<u>2,357,666</u>

Revenues for exemptions granted by lessors during the nine-month period ended 30 September 2021 amounted to KD 540,601 (KD 971,401 during the nine-month period ended 30 September 2020).

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

6. Investments in an associate

This represents the Group's investment in Tamdeen Shopping Centres K.S.C. (Closed) at 30%.

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Balance as at the beginning of the period/ year	36,205,862	39,460,952	39,460,952
Group's share in an associate's results	3,702,546	(3,306,187)	(3,361,337)
Group's share in changes in fair value reserves	134,316	49,476	(920,643)
Group's share from difference of foreign currency reserve	(10,413)	1,621	26,376
Balance at the end of the period/ year	<u>40,032,311</u>	<u>36,205,862</u>	<u>35,205,348</u>

7. Investments at FVTOCI

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Quoted shares	5,472,902	4,625,243	4,601,232
Unquoted shares	869,354	911,498	979,590
Investment funds	4,168	4,168	4,168
	<u>6,346,424</u>	<u>5,540,909</u>	<u>5,584,990</u>

Fair value is determined based on valuation techniques disclosed in (Note 3).

During the period, the Group disposed of investments at fair value through comprehensive income with a fair value of KD 42,144 as on the date of disposal. The accumulated profits of that investment amounted to KD 83,596 and retained in the fair value change reserve. The balance of profits related to disposed investments and held in the fair value change reserve amounted to KD 6,411,756 as at 30 September 2021 (KD 6,328,160 as at 31 December 2020, KD 6,328,160 as at 30 September 2020).

8. Cash at banks, on hand and investment portfolios

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Cash on hand	39,784	18,994	31,736
Banks' current accounts	6,739,242	6,288,649	19,741,700
Cash in investment portfolios	13,943,246	14,018,400	767,166
Total Cash at banks, on hand and investment portfolios	<u>20,722,272</u>	<u>20,326,043</u>	<u>20,540,602</u>
Expected credit losses	(4,442)	(4,442)	(8,738)
	<u>20,717,830</u>	<u>20,321,601</u>	<u>20,531,864</u>

9. Treasury shares

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Number of treasury shares (share)	8,460,323	8,460,323	8,460,323
Percentage to issued shares (%)	8.37	8.37	8.37
Market value	6,768,258	6,387,544	5,922,226

The Parent Company should keep reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. Other reserves

	Land revaluation reserve	Change in fair value reserve	Foreign currency translation reserve	Treasury shares reserve	Total
Balance at 1 January 2020	11,789,140	7,843,813	317,100	127,093	20,077,146
Changes in fair value of financial investments at FVTOCI	-	(3,701,061)	-	-	(3,701,061)
Foreign currency translation reserve	-	-	14,301	-	14,301
Other comprehensive loss for the period	-	(3,701,061)	14,301	-	(3,686,760)
Balance at 30 September 2020	<u>11,789,140</u>	<u>4,142,752</u>	<u>331,401</u>	<u>127,093</u>	<u>16,390,386</u>
Balance at 1 January 2021	11,663,070	5,068,789	308,991	127,093	17,167,943
Changes in fair value of financial investments at FVTOCI	-	1,023,427	-	-	1,023,427
Foreign currency translation reserve	-	-	(7,070)	-	(7,070)
Other comprehensive loss for the period	-	1,023,427	(7,070)	-	1,016,357
Balance at 30 September 2021	<u>11,663,070</u>	<u>6,092,216</u>	<u>301,921</u>	<u>127,093</u>	<u>18,184,300</u>

Land revaluation reserve includes the following:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Revaluation reserve for Land within property, plant and equipment	8,193,094	8,193,094	8,319,164
Revaluation reserve for land within investment properties	2,363,735	2,363,735	2,363,735
Revaluation reserve for land sold to an associate	1,106,241	1,106,241	1,106,241
	<u>11,663,070</u>	<u>11,663,070</u>	<u>11,789,140</u>

11. Trade and other payables

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Trade payables	3,719,988	2,856,409	2,741,138
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payables	1,157,441	1,180,981	1,202,012
Payable' retention	2,134,632	1,016,012	530,115
Construction contract payables	1,107,686	1,007,972	-
Expenses and accrued leaves	929,857	562,408	860,312
Others' deposits	1,054,907	859,816	535,853
Deferred income	832,671	629,017	655,287
Due to related parties (Note 16)	1,143	14,057	10,437
Taxes and deductions	78,650	21,483	7,905
Other payables	27,966	26,137	25,727
	<u>13,199,006</u>	<u>10,328,357</u>	<u>8,722,851</u>

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

12. Loans and bank facilities

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Long Term			
Long Term loans	18,203,604	-	-
Short term			
Short term loans	17,000,000	19,000,000	14,000,000
Banks - overdraft	86,747	4,846,012	5,950,923
Notes payables	-	-	77,739
Total loans and short term bank facilities	<u>17,086,747</u>	<u>23,846,012</u>	<u>20,028,662</u>
Average effective rate (%)	<u>2.65</u>	<u>2.54</u>	<u>2.55</u>

Loans and bank facilities granted to the Group from local banks are pledged against commitments represents mainly in assigning revenue from South Sabahiya project to those banks.

The repayment period of long-term loans ranges between 2 to 8 years.

13. Other operating income

This item includes revenue of cinema's buffets and cafeterias, and any other revenue other than those resulted from the main activity.

The following schedule presents the information about other operating revenues during the period as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
revenue of cinema's buffets and cafeterias	1,844,209	18,653	2,765,257	1,348,023
Shops rental revenue	63,295	(14,635)	242,003	107,141
Other income	405,823	519,273	965,633	1,913,016
	<u>2,313,327</u>	<u>523,291</u>	<u>3,972,893</u>	<u>3,368,180</u>

14. Earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share are computed by dividing earnings/ (loss) during the period by the weighted average number of ordinary shares outstanding during the period as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Net profit/ (loss) attributable to Parent Company's shareholders	2,994,117	(3,237,461)	2,763,906	(5,423,758)
Weighted average number of outstanding shares (share)	<u>92,602,177</u>	<u>92,666,678</u>	<u>92,602,177</u>	<u>92,700,855</u>
Earnings/ (loss) per share (fills)	<u>32.33</u>	<u>(34.93)</u>	<u>29.85</u>	<u>(58.51)</u>

Both basic and diluted earnings per share are equal since the Parent Company does not have diluted outstanding instruments.

15. Segments information

The main objective of the Group is to engage in all activities relating to the cinema industry, entertainment, and culture events. In addition, the Group invests its available excess funds through investment portfolios.

The following is the Group's segment information, which consists with the internal reporting presented to management:

- Cinema division: which represents all activities related to cinema shows and movies selling.
- Concession division: which represents all activities related to concessions supplemented to theatres.
- Investments division: which represents investments in shares, funds and investment property.

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
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(All amounts are in Kuwaiti Dinar unless otherwise stated)

The following schedule presents the information about revenues, profit, and assets for each division:

	Divisions activity as at 30 September 2021				
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	4,560,572	2,765,257	3,944,549	965,633	12,236,011
Costs	(5,636,946)	(1,240,570)	(53,061)	(2,536,601)	(9,467,178)
Segment's (loss)/ profit	(1,076,374)	1,524,687	3,891,488	(1,570,968)	2,768,833
Assets	35,535,427	746,295	51,793,058	52,832,367	140,907,147

	Divisions activity as at 30 September 2020				
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	4,941,674	1,352,254	(3,136,563)	1,896,734	5,054,099
Costs	(6,755,297)	(936,202)	(118,665)	(2,661,695)	(10,471,859)
Segment's (loss)/ profit	(1,813,623)	416,052	(3,255,228)	(764,961)	(5,417,760)
Assets	35,503,613	601,811	45,782,689	27,738,501	109,626,614

16. Related parties transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Those transactions were conducted in the ordinary course of business and with the usual terms and conditions. Transactions with related parties are subject to the approval of the General Assembly of Shareholders. The table below shows the volume and nature of those transactions during the period and the related balances:

Related parties transactions	30 September 2021	30 September 2020
Key management compensation	100,349	149,511
Expenses (rents, consultancy and others)	452,775	522,483
Other income	99,225	107,581

	30 September 2021	31 December 2020	30 September 2020
	(Unaudited)	(Audited)	(Unaudited)
Balances resulting from those transactions:			
Due from related parties	4,641	-	3,863
Due to related parties	1,143	14,057	10,437
Cash at investment portfolios (Note 8)	757,601	762,816	767,166
management compensation Long term	(103,694)	(97,761)	(134,313)
management compensation Short term	(18,173)	(12,692)	(12,692)

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 6,342,256 as at 30 September 2021 (KD 5,536,741 as at 31 December 2020, KD 5,580,822 as at 30 September 2020).

All transactions are subject to the approval of the shareholders in the General Assembly meeting.

17. Contingent liabilities and Future commitments

17.1 Future commitments

	30 September 2021	31 December 2020	30 September 2020
	(Unaudited)	(Audited)	(Unaudited)
Estimated capital expenditure contracted as of period end	24,834,617	34,707,740	36,966,703
Estimated capital expenditure contracted subsequently	-	-	-
Future commitments for purchasing films	9,696	365,064	345,310

17.2 Contingent liabilities

Letters of Guarantee	2,386,680	2,386,680	2,386,680
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**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

18. Covid-19 impact

The Corona pandemic (Covid-19) continues to spread rapidly across several global geographic regions, causing major disturbances in business and economic activities and as a result the cinema sector activities stopped during the period from 9 March 2020 until 12 May 2021 in response to the decisions of the government authorities in the State of Kuwait in addition to fundamental uncertainties regarding the environment. Global economy. Financial and monetary authorities around the world have taken intensive measures that have been allocated to alleviate the dire consequences of this pandemic.

The Group restarted cinema activities on 12 May 2021 in accordance with the health requirements of the regulatory authorities in the State of Kuwait.

Other effects

The Group has considered the potential impact of fluctuations in current economic conditions when determining the amount recorded for the Group's financial and non-financial assets. These reported amounts represent management's best assessments based on observable information. Nevertheless, the markets remain volatile and the carrying value of the assets is still sensitive to fluctuations in the market. The vulnerability of this uncertain economic environment to a large extent is still a matter of estimation accordingly, the Group will continue to reassess its position and related influence on a regular basis.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, this interim condensed consolidated financial information has been appropriately prepared on a going concern basis.

19. Comparative figures

Some comparative figures have been reclassified to conform to the current year's classification.