

**ALAFCO AVIATION LEASE AND FINANCE
COMPANY K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

31 MARCH 2021



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND FINANCE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C.P. (the “parent company”) and its subsidiaries (together, the “group”) as at 31 March 2021, and the related interim condensed consolidated statements of income and comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended. The 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 (“IAS 34”). 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, as amended, and its Executive Regulations, as amended, or of the parent company’s Memorandum of Incorporation and Articles of Association during the six months period ended 31 March 2021 that might have had a material effect on the business of the parent company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six months period ended 31 March 2021 that might have had a material effect on the business of the parent company or on its financial position.



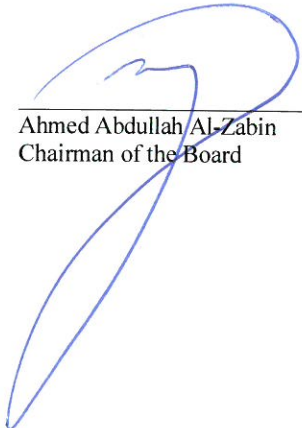
BADER A. AL-ABDULJADER
LICENCE NO. 207-A
EY
(AL AIBAN, AL OSAIMI & PARTNERS)

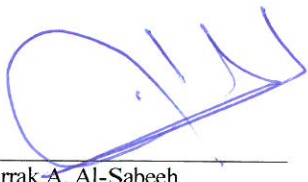
11 May 2021
Kuwait

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
 POSITION (UNAUDITED)

As at 31 March 2021

		<i>(Audited)</i>	
	<i>31 March</i>	<i>30 September</i>	<i>31 March</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Notes</i>			
ASSETS			
Aircraft, engines and equipment	4	1,166,703,880	1,161,111,356
Capital advances		135,114,366	162,874,986
Receivables		40,927,369	57,285,113
Cash and cash equivalents		13,866,763	39,732,227
TOTAL ASSETS		1,356,612,378	1,421,003,682
EQUITY AND LIABILITIES			
EQUITY			
Share capital	5	95,209,348	95,209,348
Share premium		17,829,167	17,829,167
Statutory reserve		29,571,005	29,571,005
Foreign currency translation reserve		13,350,319	17,110,807
Retained earnings		141,770,880	144,306,710
TOTAL EQUITY		297,730,719	304,027,037
LIABILITIES			
Due to financial institutions		888,119,404	934,051,774
Security deposits		11,770,549	11,526,570
Maintenance reserve and provisions		141,217,470	156,918,631
Other liabilities		17,774,236	14,479,670
TOTAL LIABILITIES		1,058,881,659	1,116,976,645
TOTAL EQUITY AND LIABILITIES		1,356,612,378	1,421,003,682


 Ahmed Abdullah Al-Zabin
 Chairman of the Board


 Barrak A. Al-Sabeeh
 Vice Chairman of the Board

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2021

	Notes	Three months ended		Six months ended	
		31 March		31 March	
		2021	2020	2021	2020
		KD	KD	KD	KD
Operating lease income		25,764,570	28,104,013	51,748,700	58,228,842
Murabaha income		11,292	186,328	26,248	408,161
Gain on disposal of aircraft, engines and equipment		-	-	-	1,430,140
Other income		15,105	-	25,532	142,242
Staff costs		(827,385)	(862,364)	(1,609,522)	(1,732,372)
Depreciation	4	(12,538,153)	(12,699,174)	(25,184,469)	(22,631,195)
Impairment loss on aircraft, engines and equipment		-	(15,509,947)	-	(15,509,947)
Other operating expenses		(1,260,382)	(1,569,137)	(2,174,140)	(4,960,255)
Allowance for credit loss on receivables	10	(3,879,465)	(1,519,955)	(8,661,951)	(191,431)
Finance costs		(8,038,796)	(9,966,198)	(16,531,857)	(19,670,970)
LOSS FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		(753,214)	(13,836,434)	(2,361,459)	(4,486,785)
Contribution to KFAS		-	84,147	-	-
NLST		(71,740)	199,369	(124,551)	-
Zakat		(28,696)	79,748	(49,820)	-
LOSS FOR THE PERIOD		(853,650)	(13,473,170)	(2,535,830)	(4,486,785)
Basic and diluted loss per share	3	(0.90) fils	(14.15) fils	(2.66) fils	(4.71) fils

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME (UNAUDITED)

For the period ended 31 March 2021

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Loss for the period	(853,650)	(13,473,170)	(2,535,830)	(4,486,785)
Other comprehensive (loss) income:				
<i>Items that are not reclassified subsequently to interim condensed consolidated statement of income:</i>				
Foreign currency translation adjustment	(842,261)	5,861,577	(3,760,488)	4,539,695
Other comprehensive (loss) income for the period	(842,261)	5,861,577	(3,760,488)	4,539,695
Total comprehensive (loss) income for the period	(1,695,911)	(7,611,593)	(6,296,318)	52,910

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2021

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
Balance as at 1 October 2020	95,209,348	17,829,167	29,571,005	17,110,807	144,306,710	304,027,037
Loss for the period	-	-	-	-	(2,535,830)	(2,535,830)
Other comprehensive loss for the period	-	-	-	(3,760,488)	-	(3,760,488)
Total comprehensive loss for the period	-	-	-	(3,760,488)	(2,535,830)	(6,296,318)
Balance at 31 March 2021	95,209,348	17,829,167	29,571,005	13,350,319	141,770,880	297,730,719
Balance as at 1 October 2019	95,209,348	17,829,167	29,571,005	14,929,164	161,711,950	319,250,634
Loss for the period	-	-	-	-	(4,486,785)	(4,486,785)
Other comprehensive income for the period	-	-	-	4,539,695	-	4,539,695
Total comprehensive income (loss) for the period	-	-	-	4,539,695	(4,486,785)	52,910
Cash dividend	-	-	-	-	(7,616,748)	(7,616,748)
Balance at 31 March 2020	95,209,348	17,829,167	29,571,005	19,468,859	149,608,417	311,686,796

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2021

	<i>Note</i>	<i>Six months ended</i>	
		<i>2021</i>	<i>2020</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Loss for the period		(2,535,830)	(4,486,785)
Adjustments for:			
Depreciation	4	25,184,469	22,631,195
Impairment loss on aircraft, engines and equipment		-	15,509,947
Murabaha income		(26,248)	(408,161)
Finance costs		16,531,857	19,670,970
Allowance for credit loss on receivables		8,661,951	191,431
Gain on disposal of aircraft, engines and equipment		-	(1,430,140)
		47,816,199	51,678,457
Changes in operating assets and liabilities:			
Receivables		7,013,753	(4,072,050)
Payables		4,001,787	(1,081,985)
Maintenance reserve and provisions		(13,754,089)	5,438,092
Cash from operations		45,077,650	51,962,514
Finance cost paid		(15,859,779)	(19,572,825)
Net cash flows from operating activities		29,217,871	32,389,689
INVESTING ACTIVITIES			
Purchase of aircraft, engines and equipment	4	(18,144,199)	(135,829,145)
Proceeds from disposal of aircraft, engines and equipment		-	29,392,150
Capital advances for purchase of aircraft, engines and equipment		(1,181,900)	(139,086,348)
Murabaha income received		38,541	419,914
Net cash flows used in investing activities		(19,287,558)	(245,103,429)
FINANCING ACTIVITIES			
Financing facilities received		33,539,461	313,287,948
Financing facilities repaid		(68,616,805)	(126,304,041)
Cash dividends paid		-	(7,616,748)
Net cash flows (used in) from financing activities		(35,077,344)	179,367,159
NET DECREASE IN CASH AND CASH EQUIVALENTS		(25,147,031)	(33,346,581)
Foreign currency translation adjustment		(718,433)	1,989,997
Cash and cash equivalents at 1 October		39,732,227	93,441,271
CASH AND CASH EQUIVALENTS AT 31 MARCH		13,866,763	62,084,687

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

1 INCORPORATION AND PRINCIPAL ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C.P. (ALAFCO) (the "parent company") is a Kuwaiti shareholding company registered and incorporated in Kuwait on 21 March 2000. The parent company is engaged in providing service to buy aircraft and other related assets on behalf of the aviation companies, coordinating with factories, providing asset management services to different aviation companies, providing operating lease or financing lease services commensurate with the needs and desires of aviation company customers, providing project financing to buy aircraft wholly or partly in light of the evaluation studies and the renewal of risk factors associated with such projects, marketing of aircraft to meet the needs of medium-and long-term for aviation companies wishing with such services, assisting aviation companies in the marketing of their aircraft through selling and leasing, participation in providing services associated with financing and providing technical support to aviation companies, assistance in the joint investment operations and specialized in aviation industry, Wholly or partly investment in providing aircraft, engines and spare parts as appropriate to needs of aviation companies and factories customers, Management and investment of revenues generated and collected from the above mentioned operations. The parent company may have an interest or to participate in any aspect in other entities conducting similar activities or which may assist in achieving its objectives in Kuwait or abroad and it may establish, participate or buy these bodies or in their equity.

The parent company operates in accordance with the Islamic Sharia'a principles. The parent company's registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Second Floor, Abdul Aziz Hamid Al Sagar Street, Al-Mirqab, Kuwait.

The shares of the parent company are listed on Boursa Kuwait.

The parent company is an associate of Kuwait Finance House K.S.C.P. ("the Bank") and Gulf Investment Corporation S.A.G. (GIC).

The interim condensed consolidated financial information includes transactions and balances of the parent company and wholly owned Special Purpose Companies ("SPC") (its subsidiaries), together referred to as the "group". All the transactions of SPC's are entered on behalf of ALAFCO and are guaranteed by ALAFCO.

The interim condensed consolidated financial information of the group for the six months period ended 31 March 2021 was authorised for issue in accordance with a resolution of the board of directors on 11 May 2021.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group is prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the 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.

Operating results for the six months' period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2021. For more details please refer to the consolidated financial statements and its related disclosures for the year ended 30 September 2020.

The functional currency of the parent company is US dollars. The interim condensed consolidated financial information is presented in Kuwaiti Dinars.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

2.2 NEW STANDARDS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended 30 September 2020, except for the adoption of new standards effective as of 1 October 2020.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time from 1 October 2020, but do not have an impact on the interim condensed consolidated financial information of the group.

Amendments to IFRS 3: *Definition of a Business*

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial information of the group, but may impact future periods should the group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: *Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial information of the group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: *Definition of Material*

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial information of, nor is there expected to be any future impact to the group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the interim condensed consolidated financial information of the group.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

3 BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share are calculated by dividing loss for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	2021	2020	2021	2020
Loss for the period (KD)	(853,650)	(13,473,170)	(2,535,830)	(4,486,785)
Weighted average number of ordinary shares	952,093,482	952,093,482	952,093,482	952,093,482
Basic and diluted loss per share	(0.90) fils	(14.15) fils	(2.66) fils	(4.71) fils

As there are no dilutive instruments outstanding, basic and diluted loss per share are identical.

4 AIRCRAFT, ENGINES AND EQUIPMENT

	<i>Aircraft and engines</i> KD	<i>Furniture and fixtures</i> KD	<i>Office equipment</i> KD	<i>Total</i> KD
Cost				
At 1 October 2020	1,444,253,747	336,291	178,207	1,444,768,245
Additions	18,144,199	-	-	18,144,199
Transfer from capital advances	26,921,541	-	-	26,921,541
Foreign currency adjustment	(17,920,536)	(4,173)	(2,211)	(17,926,920)
At 31 March 2021	1,471,398,951	332,118	175,996	1,471,907,065
Depreciation and impairment				
At 1 October 2020	283,166,533	335,253	155,103	283,656,889
Depreciation charge for the period	25,180,337	270	3,862	25,184,469
Foreign currency adjustment	(3,632,070)	(4,159)	(1,944)	(3,638,173)
At 31 March 2021	304,714,800	331,364	157,021	305,203,185
Net carrying amount				
At 31 March 2021	1,166,684,151	754	18,975	1,166,703,880
At 30 September 2020 (Audited)	1,161,087,214	1,038	23,104	1,161,111,356
At 31 March 2020	1,201,832,868	8,977	29,250	1,201,871,095

Aircraft with carrying value of KD 989,214,686 (30 September 2020: KD 1,008,683,423 and 31 March 2020: KD 1,169,284,277) are under finance lease arrangements and are mortgaged against the financing facilities and registered in the name of the lenders.

5 SHARE CAPITAL AND ANNUAL GENERAL ASSEMBLY

The authorised, issued and fully paid share capital as at 31 March 2021 comprises 952,093,482 ordinary shares (30 September 2020: 952,093,482 ordinary shares and 31 March 2020: 952,093,482 ordinary shares) of 100 fils each, fully paid in cash.

On 27 January 2021, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 September 2020 and resolved not to distribute any dividends for the year ended 30 September 2020. The shareholders at the annual general assembly of the parent company have also approved directors' remuneration of KD 24,000 for the year ended 30 September 2020.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

6 CAPITAL COMMITMENTS

Capital commitments in respect of purchase of aircraft and engines amount to KD 954,544,277 (30 September 2020: KD 967,995,400 and 31 March 2020: KD 996,203,982).

7 CONTINGENT LIABILITIES

As at 31 March 2021, the group has contingent liabilities amounting to KD 11,822,442 (30 September 2020: KD 11,859,538 and 31 March 2020: KD 11,882,479) in respect of letters of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

8 RELATED PARTY TRANSACTIONS

Related parties represent the major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management and Board of Directors.

Significant transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated statement of income:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	2021	2020	2021	2020
	KD	KD	KD	KD
Murabaha income				
- Bank	11,172	363,532	25,555	380,101
- Other related parties*	120	(177,204)	693	28,060
	11,292	186,328	26,248	408,161
Finance costs				
- Bank	1,606,018	1,364,828	3,343,034	3,368,943
	1,606,018	1,364,828	3,343,034	3,368,943
<i>Key management compensation:</i>				
Salaries and other short-term benefits	257,378	259,696	516,050	526,772
End of service benefits	28,607	39,313	56,618	72,531
	285,985	299,009	572,668	599,303

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

8 RELATED PARTY TRANSACTIONS (continued)

Interim condensed consolidated statement of financial position:

	<i>Bank KD</i>	<i>Other related parties* KD</i>	<i>Total KD</i>
31 March 2021			
Receivables **	4,603	-	4,603
Cash and cash equivalents	11,954,131	605,021	12,559,152
Due to financial institutions	169,077,034	-	169,077,034
Other liabilities***	468,401	-	468,401
 30 September 2020 (Audited)			
Receivables **	16,811	43	16,854
Cash and cash equivalents	36,598,153	1,842,549	38,440,702
Due to financial institutions	149,204,914	-	149,204,914
Other liabilities***	1,032,661	-	1,032,661
 31 March 2020			
Receivables **	24,362	386	24,748
Cash and cash equivalents	57,499,271	1,851,584	59,350,855
Due to financial institutions	152,478,597	-	152,478,597
Other liabilities***	562,391	-	562,391

* Other related parties represent subsidiaries of the Bank.

** Receivables represents accrued murabaha income.

*** Other liabilities represent accrued finance cost on Islamic finance facilities obtained from the Bank.

9 SEGMENT INFORMATION

The group is engaged primarily in only one business segment, aircraft leasing segment. However, for management purposes, the group is organized into five geographical segments.

31 March 2021:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	10,645,603	30,666,836	3,217,661	5,902,920	1,367,460	51,800,480
Segment (losses) results before taxations	(5,597,744)	3,296,204	808,229	(337,106)	(531,042)	(2,361,459)
Total assets	390,415,623	540,689,784	159,331,634	241,598,434	24,576,903	1,356,612,378
Total liabilities	489,052,985	405,707,006	61,869,616	80,325,979	21,926,073	1,058,881,659
Other segmental information:						
Depreciation	8,456,828	11,958,709	1,263,232	2,873,914	631,786	25,184,469
Capital expenditure	-	-	14,593,902	30,471,838	-	45,065,740

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

9 SEGMENT INFORMATION (continued)

31 March 2020:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	14,320,470	34,766,864	2,939,698	6,812,463	1,369,890	60,209,385
Segment (losses) results before taxations	(4,850,671)	(4,042,031)	1,212,639	2,736,147	457,131	(4,486,785)
Total assets	472,374,612	571,131,936	161,199,749	245,022,919	26,363,373	1,476,092,589
Total liabilities	530,172,027	465,877,763	56,225,472	89,693,115	22,437,416	1,164,405,793
Other segmental information:						
Depreciation	6,723,954	12,277,789	803,871	2,189,195	636,386	22,631,195
Capital expenditure	46,424,870	182,617,136	43,322,603	107,215,031	-	379,579,640

10 IMPACT OF COVID-19

The COVID-19 outbreak has continued to develop during the current reporting period, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity and the group's business in various significant ways.

The impact of COVID-19 on the group for the period ended 31 March 2021 are:

- ▶ Allowance for credit loss on receivables amounted to KD 8,661,951.

In addition to the already known effects of the COVID-19 outbreak and resulting government measures, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the longer term impact on the group's business may be. The COVID-19 virus can evolve in various directions. If society, and as a consequence business, is exposed to COVID-19 for a longer period of time, this may result in prolonged negative results and pressure on the group's liquidity.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the group may experience further negative results, liquidity restraints and incur additional impairments on its assets in the upcoming period. Given the ongoing economic uncertainty, the exact impact on the group's activities in the upcoming period and thereafter cannot be predicted at this stage.

This note describes the impact of the outbreak on the group's operations and the significant estimates and judgements applied by management in assessing the values of assets and liabilities as at 31 March 2021.

10.1 Risk management

The management is monitoring and reassessing the risk management objectives and policies based on the current updates on COVID-19. For the period ended 31 March 2021, there were no significant changes to the risk management objectives and policies as compared to the audited consolidated financial statements as at 30 September 2020.

10.1.1 Credit risk

The group is mainly exposed to credit risk on its trade receivables. As at 31 March 2021, the group has considered the impact of COVID-19 on the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. There were changes to the payment period given to certain customers during the period. The group will continue to individually assess the situation as more reliable data becomes available and accordingly may change the payment period for other customers as well in the subsequent reporting periods. Refer to Note 10.2 for the estimates and assumptions used by the group to determine ECL on its trade receivables and contract assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

10 IMPACT OF COVID-19 (continued)

10.1 Risk management (continued)

10.1.1 Credit risk (continued)

The group is not significantly exposed to credit risk on its cash and cash equivalents. While cash and cash equivalents are subject to the impairment requirements of IFRS 9, management determined that the identified impairment loss was immaterial as these balances are mostly held with counterparties with appropriate credit-ratings assigned by international credit-rating agencies.

10.2 Use of estimates and assumptions

The group based its assumptions and estimates on parameters available when the interim condensed consolidated financial information is prepared. The COVID-19 outbreak has created uncertainty for revenue forecasts, sourcing and workforce availability, credit ratings, etc. but also volatility in stock prices, interest and currency exchange rates. Estimates based on such metrics may be subject to change due to market changes in the near term or circumstances arising that are beyond the control of the group.

Information about key assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets in the next reporting period is described below:

Trade receivables

The group uses the simplified model in calculation of the ECL for trade receivables that do not contain a significant financing component by establishing a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The group will continue to individually assess significant exposures as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

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