

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

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

31 MARCH 2022

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 (collectively the “group”) as at 31 March 2022, 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 2022 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 2022 that might have had a material effect on the business of the parent company or on its financial position.

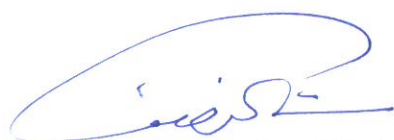


BADER A. AL-ABDULJADER
LICENCE NO. 207-A
EY
(AL AIBAN, AL OSAIMI & PARTNERS)

15 May 2022
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 2022

		<i>(Audited)</i>	
	<i>31 March</i>	<i>30 September</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS			
Aircraft, engines and equipment	4	1,104,997,679	1,150,098,985
Capital advances		118,446,397	116,831,393
Other assets		23,935,516	15,317,590
Cash and cash equivalents		16,181,523	42,093,620
TOTAL ASSETS		1,263,561,115	1,324,341,588
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		14,688,929	12,652,803
Retained earnings		116,000,222	120,529,318
TOTAL EQUITY		273,298,671	275,791,641
LIABILITIES			
Due to financial institutions		837,051,803	889,532,594
Security deposits		11,899,602	15,620,085
Maintenance reserve and provisions		121,491,165	125,622,464
Other liabilities		19,819,874	17,774,804
TOTAL LIABILITIES		990,262,444	1,048,549,947
TOTAL EQUITY AND LIABILITIES		1,263,561,115	1,324,341,588



Sami Abdulatif Alnusif
 Chairman of the Board



Fahad Abdulrazzaq Alnusif
 Board Member

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 2022

	Notes	Three months ended		Six months ended	
		31 March		31 March	
		2022	2021	2022	2021
		KD	KD	KD	KD
Operating lease income		27,185,534	25,764,570	50,962,439	51,748,700
Murabaha income		13,280	11,292	25,320	26,248
Gain on disposal of aircraft, engines and equipment		2,409,682	-	2,409,682	-
Other income		724,011	15,105	2,022,433	25,532
Staff costs		(1,087,036)	(827,385)	(1,968,688)	(1,609,522)
Depreciation	4	(12,750,470)	(12,538,153)	(25,484,211)	(25,184,469)
Impairment loss on aircraft, engines and equipment	4	(13,184,336)	-	(13,184,336)	-
Other operating expenses		(796,048)	(1,260,382)	(1,704,834)	(2,174,140)
Allowance for credit loss on receivables		(811,325)	(3,879,465)	(159,045)	(8,661,951)
Finance costs		(8,584,928)	(8,038,796)	(17,447,856)	(16,531,857)
LOSS FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		(6,881,636)	(753,214)	(4,529,096)	(2,361,459)
Contribution to KFAS		21,173	-	-	-
NLST		41,850	(71,740)	-	(124,551)
Zakat		16,740	(28,696)	-	(49,820)
LOSS FOR THE PERIOD		(6,801,873)	(853,650)	(4,529,096)	(2,535,830)
Basic and diluted loss per share	3	(7.14) fils	(0.90) fils	(4.76) fils	(2.66) 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 2022

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
Loss for the period	(6,801,873)	(853,650)	(4,529,096)	(2,535,830)
Other comprehensive income (loss):				
<i>Items that are not reclassified subsequently to interim condensed consolidated statement of income:</i>				
Foreign currency translation adjustment	1,256,410	(842,261)	2,036,126	(3,760,488)
Other comprehensive income (loss) for the period	1,256,410	(842,261)	2,036,126	(3,760,488)
Total comprehensive loss for the period	(5,545,463)	(1,695,911)	(2,492,970)	(6,296,318)

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 2022

	<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 2021	95,209,348	17,829,167	29,571,005	12,652,803	120,529,318	275,791,641
Loss for the period	-	-	-	-	(4,529,096)	(4,529,096)
Other comprehensive income for the period	-	-	-	2,036,126	-	2,036,126
Total comprehensive income (loss) for the period	-	-	-	2,036,126	(4,529,096)	(2,492,970)
Balance at 31 March 2022	95,209,348	17,829,167	29,571,005	14,688,929	116,000,222	273,298,671
Balance as of 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

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 2022

	<i>Note</i>	<i>Six months ended</i>	
		<i>31 March</i>	
		<i>2022</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Loss for the period		(4,529,096)	(2,535,830)
Adjustments for:			
Depreciation	4	25,484,211	25,184,469
Impairment loss on aircraft, engines and equipment	4	13,184,336	-
Murabaha income		(25,320)	(26,248)
Finance costs		17,447,856	16,531,857
Allowance for credit loss on receivables		159,045	8,661,951
Gain on disposal of aircraft, engines and equipment		(2,409,682)	-
		<u>49,311,350</u>	<u>47,816,199</u>
Changes in operating assets and liabilities:			
Other assets		(8,663,656)	7,013,753
Other liabilities		(1,182,588)	4,001,787
Maintenance reserve and provisions		3,578,267	(13,754,089)
		<u>43,043,373</u>	<u>45,077,650</u>
Cash from operations		(16,690,534)	(15,859,779)
Finance cost paid			
		<u>26,352,839</u>	<u>29,217,871</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of aircraft, engines and equipment	4	(2,639)	(18,144,199)
Proceeds from disposal of aircraft, engines and equipment		7,991,631	-
Capital advances for purchase of aircraft, engines and equipment		(743,706)	(1,181,900)
Murabaha income received		25,627	38,541
		<u>7,270,913</u>	<u>(19,287,558)</u>
Net cash flows from (used in) investing activities			
FINANCING ACTIVITIES			
Financing facilities received		7,598,750	33,539,461
Financing facilities repaid		(67,684,421)	(68,616,805)
		<u>(60,085,671)</u>	<u>(35,077,344)</u>
Net cash flows used in financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS		(26,461,919)	(25,147,031)
Foreign currency translation adjustment		549,822	(718,433)
Cash and cash equivalents at 1 October		42,093,620	39,732,227
		<u>16,181,523</u>	<u>13,866,763</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH			

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 2022

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 2022 was authorised for issue in accordance with a resolution of the board of directors on 15 May 2022.

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 2022 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2022. For more details please refer to the consolidated financial statements and its related disclosures for the year ended 30 September 2021.

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 2022

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 2021, except for the adoption of new standards effective as of 1 October 2021.

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 2021, but do not have an impact on the interim condensed consolidated financial information of the group.

Amendments to IAS 1: Classification of liabilities as current or non-current

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

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

Amendments to IAS 16 Property, plant and Equipment: Proceeds before intended use

In May 2020, the IASB issued amendments to IAS 16 Property, plant and equipment – Proceeds before intended use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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>	
	2022	2021	2022	2021
Loss for the period (KD)	(6,801,873)	(853,650)	(4,529,096)	(2,535,830)
Weighted average number of ordinary shares	952,093,482	952,093,482	952,093,482	952,093,482
Basic and diluted loss per share	<u>(7.14) fils</u>	<u>(0.90) fils</u>	<u>(4.76) fils</u>	<u>(2.66) fils</u>

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

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 2022

4 AIRCRAFT, ENGINES AND EQUIPMENT

	<i>Aircraft and engines KD</i>	<i>Furniture and fixtures KD</i>	<i>Office equipment KD</i>	<i>Total KD</i>
Cost				
At 1 October 2021	1,474,352,447	331,295	175,559	1,474,859,301
Additions	-	-	2,639	2,639
Disposal	(26,998,268)	-	-	(26,998,268)
Foreign currency adjustment	10,995,336	2,471	1,309	10,999,116
At 31 March 2022	1,458,349,515	333,766	179,507	1,458,862,788
Depreciation and impairment				
At 1 October 2021	324,269,633	330,711	159,972	324,760,316
Depreciation charge for the period	25,480,681	146	3,384	25,484,211
Impairment loss on aircraft, engines and equipment	13,184,336	-	-	13,184,336
Disposal	(12,162,096)	-	-	(12,162,096)
Foreign currency adjustment	2,594,667	2,467	1,208	2,598,342
At 31 March 2022	353,367,221	333,324	164,564	353,865,109
Net carrying amount				
At 31 March 2022	1,104,982,294	442	14,943	1,104,997,679
At 30 September 2021 (Audited)	1,150,082,814	584	15,587	1,150,098,985
At 31 March 2021	1,166,684,151	754	18,975	1,166,703,880

Aircraft with carrying value of KD 1,072,784,553 (30 September 2021: KD 1,119,880,500 and 31 March 2021: KD 989,214,686) 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 2022 comprises 952,093,482 ordinary shares (30 September 2021: 952,093,482 ordinary shares and 31 March 2021: 952,093,482 ordinary shares) of 100 fils each, fully paid in cash.

On 27 January 2022, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 September 2021 and resolved not to distribute any dividends for the year ended 30 September 2021. The shareholders at the annual general assembly of the parent company have also approved directors' remuneration of KD Nil for the year ended 30 September 2021.

6 CAPITAL COMMITMENTS

Capital commitments in respect of purchase of aircraft and engines amount to KD 1,004,752,041 (30 September 2021: KD 1,003,948,967 and 31 March 2021: KD 954,544,277).

7 CONTINGENT LIABILITIES

As at 31 March 2022, the group has contingent liabilities amounting to KD 5,466,238 (30 September 2021: KD 5,466,238 and 31 March 2021: KD 11,822,442) in respect of letters of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

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 2022

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>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Murabaha income				
- Bank	13,280	11,172	25,320	25,555
- Other related parties*	-	120	-	693
	13,280	11,292	25,320	26,248
Finance costs				
- Bank	1,266,728	1,606,018	2,797,560	3,343,034
	1,266,728	1,606,018	2,797,560	3,343,034
<i>Key management compensation:</i>				
Salaries and other short-term benefits	168,455	257,378	475,742	516,050
End of service benefits	23,014	28,607	76,804	56,618
	191,469	285,985	552,546	572,668

Interim condensed consolidated statement of financial position:

	<i>Bank</i>	<i>Other related</i>	<i>Total</i>
	<i>KD</i>	<i>parties*</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
31 March 2022			
Cash and cash equivalents	15,029,165	-	15,029,165
Due to financial institutions	141,480,202	-	141,480,202
Other liabilities***	428,333	-	428,333
30 September 2021 (Audited)			
Other assets **	193	-	193
Cash and cash equivalents	35,281,223	-	35,281,223
Due to financial institutions	142,671,216	-	142,671,216
Other liabilities***	440,085	-	440,085
31 March 2021			
Other assets **	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

* Other related parties represent subsidiaries of the Bank.

** Other assets represents accrued murabaha income.

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

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 2022

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 2022:

	<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	<u>14,529,499</u>	<u>29,968,812</u>	<u>3,839,333</u>	<u>7,082,230</u>	<u>-</u>	<u>55,419,874</u>
Segment (losses) results before taxations	<u>(2,314,127)</u>	<u>(6,565,481)</u>	<u>775,328</u>	<u>3,575,184</u>	<u>-</u>	<u>(4,529,096)</u>
Total assets	<u><u>370,084,391</u></u>	<u><u>500,041,315</u></u>	<u><u>157,531,596</u></u>	<u><u>235,903,813</u></u>	<u><u>-</u></u>	<u><u>1,263,561,115</u></u>
Total liabilities	<u><u>441,687,389</u></u>	<u><u>371,376,585</u></u>	<u><u>69,891,131</u></u>	<u><u>106,215,842</u></u>	<u><u>1,091,497</u></u>	<u><u>990,262,444</u></u>
Other segmental information:						
Depreciation	<u>8,438,144</u>	<u>11,525,042</u>	<u>1,618,779</u>	<u>3,902,246</u>	<u>-</u>	<u>25,484,211</u>
Capital expenditure	<u>2,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,639</u>

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

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

10 IMPACT OF COVID-19 (continued)

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 2022.

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 2022, there were no significant changes to the risk management objectives and policies as compared to the audited consolidated financial statements as at 30 September 2021.

10.1.1 Credit risk

The group is mainly exposed to credit risk on its trade receivables. As at 31 March 2022, 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.

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.