

**COAST INVESTMENT & DEVELOPMENT
COMPANY K.S.C.P. AND ITS SUBSIDIARIES**

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

31 MARCH 2023



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF COAST INVESTMENT & DEVELOPMENT COMPANY K.S.C.P.

Report on the Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Coast Investment & Development Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“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 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 IAS 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, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF COAST INVESTMENT & DEVELOPMENT COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Requirements (continued)

We further report that during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

14 May 2023
Kuwait

Coast Investment & Development Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 31 March 2023

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		2023 <i>KD</i>	2022 <i>KD</i>
INCOME			
Net investment (loss) income	3	(289,489)	1,406,586
Management fees	11	94,080	189,460
Other income		1,276	2,887
Share of results of associates	5	(64,185)	(98,368)
Net foreign exchange differences		34,265	(18,370)
		(224,053)	1,482,195
EXPENSES			
Staff costs		(225,512)	(258,710)
General and administrative expenses		(69,458)	(66,752)
Depreciation expense		(3,065)	(2,498)
		(298,035)	(327,960)
(LOSS) PROFIT FOR THE PERIOD BEFORE TAX		(522,088)	1,154,235
National Labour Support tax (NLST)		-	(28,361)
Zakat		-	(11,564)
KFAS		-	(7,366)
(LOSS) PROFIT FOR THE PERIOD		(522,088)	1,106,944
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE	4	(1.12) Fils	2.38 Fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2023

		<i>Three months ended</i>	
		<i>31 March</i>	
		2023	2022
<i>Notes</i>		KD	KD
	(LOSS) PROFIT FOR THE PERIOD	(522,088)	1,106,944
	Other comprehensive income (loss):		
	<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>		
	Share of other comprehensive income (loss) of associates	5 178,989	(244,608)
	Exchange differences on translation of foreign operations	5 298,167	(170,929)
	Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods	477,156	(415,537)
	<i>Other comprehensive income that will not be reclassified profit or loss in subsequent periods:</i>		
	Net gain on equity instruments designated at FVOCI	12 7,119	11,699
	Share of other comprehensive income of associates	5 -	505,834
	Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	7,119	517,533
	Other comprehensive income for the period	484,275	101,996
	TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(37,813)	1,208,940
	Attributable to:		
	Equity holders of the Parent Company	(37,813)	1,208,852
	Non-controlling interests	-	88
		(37,813)	1,208,940

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

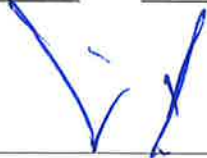
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

As at 31 March 2023

		(Audited)	
	31 March 2023	31 December 2022	31 March 2022
	Notes	KD	KD
ASSETS			
Non-current assets			
Property and equipment		1,055,974	1,056,626
Investment in associates	5	31,300,407	30,887,436
Financial assets at fair value through profit or loss	12	11,580,749	11,949,913
Financial assets at fair value through other comprehensive income	12	105,666	98,547
Other assets		1,690,971	1,690,309
		<u>45,733,767</u>	<u>45,682,831</u>
Current assets			
Financial assets at fair value through profit or loss	12	-	1,158,789
Other assets		393,951	1,551,479
Term deposits		-	500,000
Cash and cash equivalents		4,676,524	3,609,920
		<u>5,070,475</u>	<u>5,505,684</u>
TOTAL ASSETS		<u><u>50,804,242</u></u>	<u><u>50,898,676</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	46,502,690	46,502,690
Statutory reserve		679,114	679,114
Voluntary reserve		679,114	679,114
Other reserve		682,563	682,563
Foreign currency translation reserve		505,548	28,392
Fair value reserve		(807,717)	(814,836)
Retained earnings		978,133	1,500,221
Equity attributable to equity holders of the Parent Company		<u>49,219,445</u>	<u>49,257,258</u>
Non-controlling interests		-	18,994
Total equity		<u><u>49,219,445</u></u>	<u><u>49,257,258</u></u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits		244,531	273,616
Current liabilities			
Other liabilities		1,340,266	1,367,802
Total liabilities		<u>1,584,797</u>	<u>1,641,418</u>
TOTAL EQUITY AND LIABILITIES		<u><u>50,804,242</u></u>	<u><u>50,898,676</u></u>


Faleh Abdullah Al Raqabah
Chairman


Asaad Ahmad Al-Banwan
Vice Chairman & CEO

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	<i>Attributable to equity holders of the Parent Company</i>								<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Other reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Fair value reserve</i> KD	<i>Retained earnings</i> KD	<i>Sub-total</i> KD		
As at 1 January 2023 (Audited)	46,502,690	679,114	679,114	682,563	28,392	(814,836)	1,500,221	49,257,258	-	49,257,258
Loss for the period	-	-	-	-	-	-	(522,088)	(522,088)	-	(522,088)
Other comprehensive income for the period	-	-	-	-	477,156	7,119	-	484,275	-	484,275
Total comprehensive income (loss) for the period	-	-	-	-	477,156	7,119	(522,088)	(37,813)	-	(37,813)
As at 31 March 2023	46,502,690	679,114	679,114	682,563	505,548	(807,717)	978,133	49,219,445	-	49,219,445
As at 1 January 2022 (Audited)	46,502,690	417,657	417,657	(721,198)	2,138,391	(2,480,253)	3,084,181	49,359,125	18,906	49,378,031
Profit for the period	-	-	-	-	-	-	1,106,944	1,106,944	-	1,106,944
Other comprehensive income (loss) for the period	-	-	-	505,834	(415,625)	11,699	-	101,908	88	101,996
Total comprehensive income (loss) for the period	-	-	-	505,834	(415,625)	11,699	1,106,944	1,208,852	88	1,208,940
As at 31 March 2022	46,502,690	417,657	417,657	(215,364)	1,722,766	(2,468,554)	4,191,125	50,567,977	18,994	50,586,971

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2023

	Notes	Three months ended	
		31 March	
		2023	2022
		KD	KD
OPERATING ACTIVITIES			
(Loss) profit before tax		(522,088)	1,154,235
<i>Adjustments to reconcile (loss) profit before tax to net cash flows:</i>			
Share of results of associates	5	64,185	98,368
Realised loss (gain) on sale of financial assets at FVPL	3	7,347	(88,831)
Unrealised loss (gain) on financial assets at FVPL, net	3	369,164	(1,288,736)
Interest income	3	(57,022)	(18,019)
Dividends income	3	(30,000)	(11,000)
Net foreign exchange differences		(34,265)	18,370
Depreciation expense		3,065	2,498
Provision for employees' end of service benefits		17,808	28,465
		(181,806)	(104,650)
<i>Changes in working capital:</i>			
Financial assets at FVPL		-	(302,988)
Other assets		1,204,973	435,362
Other liabilities		(20,258)	(1,095)
Cash flows from operations		1,002,909	26,629
Employees' end of service benefits paid		(46,893)	(37,278)
Dividends income received		30,000	11,000
Net cash flows from operating activities		986,016	351
INVESTING ACTIVITIES			
Purchase of property and equipment		(2,413)	-
Maturity of term deposits		-	755,573
Interest income received		35,833	14,245
Net cash flows from investing activities		33,420	769,818
FINANCING ACTIVITIES			
Dividends paid		(7,278)	-
Net cash flows used in financing activities		(7,278)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,012,158	770,169
Net foreign exchange differences		-	170
Cash and cash equivalents as at 1 January		3,664,366	2,839,581
CASH AND CASH EQUIVALENTS AS AT 31 MARCH		4,676,524	3,609,920

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

1 CORPORATE AND GROUP INFORMATION

The interim condensed consolidated financial information of Coast Investment & Development Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the three month period end 31 March 2023 was authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2023.

The ordinary Annual General Assembly meeting ("AGM") for the year ended 31 December 2022 has not been convened as at the date of authorisation of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2022 have not yet been approved. The opening balances as at 1 January 2023 are subject to the approval of the shareholders at the AGM.

The Parent Company is a public shareholding company incorporated on 29 July 1975, whose shares are publicly traded on Boursa Kuwait. The Parent Company is engaged in various types of investment management activities such as private equity, asset management and real estate investments in local and international markets. The Parent Company is regulated by the Capital Markets Authority ("CMA").

On 21 November 2021, the Parent Company was delisted from the list of the investment's companies registered with the Central Bank of Kuwait ("CBK") as a finance company ("financing activities") based on the Minister of Finance resolution No. 55 for 2021. The shareholders at the extraordinary general assembly meeting ("EGM") held on 1 June 2022 approved amendment of Article (5) of the Parent Company's Memorandum of Incorporation and Articles (4) of the Parent Company's Article of Association with respect to the primary objectives of the Parent Company. This includes the cancelation of the finance activity which the Parent Company has been carrying on in accordance with the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations. The amendment was authenticated in the commercial register of the Parent Company on 14 June 2022 under registration number 19086.

The activities are carried out in accordance with the Parent Company's Articles of Association. The principal activities of the Parent Company are, as follows:

- ▶ Investing in the field of trading and projects for the account of the Parent Company.
- ▶ Investing in real estate field through selling, buying and owning for the account of the Parent Company as well as investing in real estate funds for the account of the Parent Company.
- ▶ Investing in processes of management, development, construction, reconstruction and housing as well as all developmental processes in any field for the account of the Parent Company.
- ▶ Carrying out all business related to securities, including buying and selling shares and bonds of companies, governmental and semi-governmental bodies for the account of the Parent Company.
- ▶ Acting as an investment advisor.
- ▶ Acting as an unregistered security broker in the stock exchange.
- ▶ Acting as an investment portfolio manager.
- ▶ Carrying out all financial transactions such as borrowing, guarantees and issuing bonds of all kinds, with or without guarantee, in the local and international markets.
- ▶ Carrying out structuring, consulting works and buying and selling assets related to securitization operations for the account of the Parent Company or for the account of others.
- ▶ Acting as a collective investment scheme manager.

The Parent Company may have an interest in or participate in any manner with entities that carry on business activities similar to its own or which may assist the Parent Company in achieving its objectives inside Kuwait or abroad and it has the right to buy or affiliate with these bodies.

The interim condensed consolidated financial information of the Group include:

Name of subsidiary	Country of incorporation	Effective equity interest			Principal activities
		<i>(Audited)</i>			
		<i>31 March 2023</i>	<i>31 December 2022</i>	<i>31 March 2022</i>	
Directly held					
Coast Investments Limited ("CIL")*	BVI	-	-	100%	Investment services
Coast Holding Corporation ("CHC")*	USA	-	-	100%	Investment services
Indirectly held through CHC					
Winters Estate LLC ("Winters")*	USA	-	-	80%	Real estate services

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

1 CORPORATE AND GROUP INFORMATION (continued)

* During the prior year, the Group liquidated CIL, CHC (and its indirectly held subsidiary Winters - dormant subsidiaries), which were not considered as separate major line of business or geographical area of operations for the Group.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD"), which is also the functional currency of the Group.

The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast doubt significant over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

2.2 New standards, interpretations 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 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. 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 in 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

3 NET INVESTMENT (LOSS) INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2023</u>	<u>2022</u>
	<i>KD</i>	<i>KD</i>
Realised (loss) gain on sale of financial assets at FVPL	(7,347)	88,831
Unrealised (loss) gain on sale of financial assets at FVPL, net*	(369,164)	1,288,736
Interest income*	57,022	18,019
Dividends income	30,000	11,000
	<u>(289,489)</u>	<u>1,406,586</u>

* This includes transactions with related parties amounting to loss of KD 430,565 (31 March 2022: gain of KD 1,403,263)(Note 8).

4 (LOSS) EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the (loss) profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the (loss) profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2023</u>	<u>2022</u>
(Loss) profit for the period attributable to equity holders of the Parent Company (KD)	(522,088)	1,106,944
Weighted average number of shares outstanding during the period (shares)*	465,026,902	465,026,902
Basic and diluted EPS (Fils)	<u>(1.12)</u>	<u>2.38</u>

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

5 INVESTMENT IN ASSOCIATES

Set out below are the associates of the Group as at the reporting date:

Company	Country of incorporation	Principal activities	% equity interest			Carrying amount		
			(Audited)			(Audited)		
			31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 December 2022	31 March 2022
						KD		
Rico GmbH Kuwaiti German Holding Company K.S.C. (Closed)	Germany	Manufacturing	23.73	23.73	23.73	2,511,503	2,512,859	2,515,461
("KGH")*	Kuwait	Investment	23.49	23.49	23.49	14,436,418	14,284,548	13,498,853
Weinig International A.G. ("Weinig")*	Germany	Manufacturing	12.37	12.37	12.37	14,352,486	14,090,029	13,260,808
						31,300,407	30,887,436	29,275,122

* KGH has a direct ownership of 52% in Weinig.

Reconciliation to carrying amounts:

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD		
As at 1 January	30,887,436	29,283,363	29,283,363
Share of results	(64,185)	1,953,848	(98,368)
Share of other comprehensive income (loss) that may be reclassified profit or loss in subsequent periods	178,989	(844,240)	(244,608)
Share of other comprehensive income that will not be reclassified to profit or loss in subsequent periods	-	1,403,761	505,834
Dividends	-	(117,043)	-
Exchange differences	298,167	(792,253)	(171,099)
As at end of the period/year	31,300,407	30,887,436	29,275,122

6 SHARE CAPITAL

The authorised, issued and paid-up capital of the Parent Company is KD 46,502,690 (31 December 2022: KD 46,502,690 and 31 March 2022: KD 46,502,690) that consist of 465,026,902 shares (31 December 2022: 465,026,902 and 31 March 2022: 465,026,902 shares) of 100 fils per share, which are fully paid in cash.

7 DIVIDENDS AND ANNUAL GENERAL ASSEMBLY MEETING

The Board of Directors proposed to distribute cash dividends of 5 fils per share amounting to KD 2,325,135 for the year ended 31 December 2022 (2021: 5 fils per share amounting to KD 2,325,135). This proposal is subject to approval of the Parent Company's shareholders in the AGM.

The Parent Company's Annual General Assembly Meeting was not held to approve the consolidated financial statements for the year ended 31 December 2022 until the date of preparation of this condensed interim consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2022 have not been approved yet by the shareholders' General Assembly. Consequently, the accompanying interim condensed consolidated financial information does not include any adjustments, which might have been required, had the Shareholders' General Assembly approved the consolidated financial statements for the year ended 31 December 2022.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

8 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, subsidiaries, associates, directors and key management personnel of the Group, 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.

The following table provides the total amount of transactions that have been entered into with related parties during the three-month period ended 31 March 2023 and 2022, as well as balances with related parties as at 31 March 2023, 31 December 2022 and 31 March 2022:

			<i>Three months ended</i>		
			<i>31 March</i>		
			<i>2023</i>	<i>2022</i>	
			<i>KD</i>	<i>KD</i>	
<i>Included in the interim condensed consolidated statement of profit or loss:</i>					
Management fees (Note 11)			79,154	171,610	
Unrealised (loss) gain on sale of financial assets at FVPL, net (Note 3)			(444,948)	1,399,489	
Interest income (Note 3)			14,383	3,774	
<i>(Audited)</i>					
	<i>Associates</i>	<i>Others</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>KD</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
			<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Statement of interim condensed consolidated financial position:</i>					
Promissory notes*	1,603,325	-	1,603,325	1,602,735	1,649,926
Accrued management fees	-	79,154	79,154	90,228	105,249
Investment in a managed fund	-	8,099,196	8,099,196	8,544,144	10,284,737
Other liabilities	-	170,000	170,000	170,000	170,000

* Promissory notes represent a financing arrangement to an associate for the purpose of financing its operations and earn interest at 3.67% (31 December 2022: 1.49% and 31 March 2022: 0.93%) above 3-months EURIBOR, per annum.

Key management personnel:

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for the</i>		<i>Balances outstanding as at</i>		
	<i>Three months ended</i>		<i>(Audited)</i>		
	<i>31 March</i>		<i>31</i>		
			<i>31 March</i>	<i>December</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Key management personnel compensation</i>					
Salaries and other short-term benefits	44,072	65,935	54,867	37,165	69,023
End of service benefits	3,800	5,750	81,327	54,473	84,846
	47,872	71,685	136,194	91,638	153,869

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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9 SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the decision makers that are used for strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products and services; class of customers and marketing strategies of these segments are different.

The Group is primarily engaged in investment activities, the following tables present information regarding the Group's geographical segments:

	For the three months ended 31 March 2023 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total income	(264,567)	40,457	57	(224,053)
Share of results of associates	(47,810)	(16,375)	-	(64,185)
Depreciation expense	(3,065)	-	-	(3,065)
(Loss) profit for the period	(562,602)	40,457	57	(522,088)

	For the three months ended 31 March 2022 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total income	1,613,663	(131,468)	-	1,482,195
Share of results of associates	(70,518)	(27,850)	-	(98,368)
Depreciation expense	(2,498)	-	-	(2,498)
Profit (loss) for the period	1,238,412	(131,468)	-	1,106,944

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

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9 SEGMENT INFORMATION (continued)

	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
<i>As at 31 March 2023 (Unaudited)</i>				
Total assets	<u>28,863,426</u>	<u>21,871,254</u>	<u>69,562</u>	<u>50,804,242</u>
Total liabilities	<u>1,584,797</u>	<u>-</u>	<u>-</u>	<u>1,584,797</u>
<i>Other disclosures:</i>				
Investment in associates	<u>14,436,418</u>	<u>16,863,989</u>	<u>-</u>	<u>31,300,407</u>
<i>As at 31 December 2022 (Audited)</i>				
Total assets	<u>29,295,336</u>	<u>21,533,836</u>	<u>69,504</u>	<u>50,898,676</u>
Total liabilities	<u>1,641,418</u>	<u>-</u>	<u>-</u>	<u>1,641,418</u>
<i>Other disclosures:</i>				
Investment in associates	<u>14,284,548</u>	<u>16,602,888</u>	<u>-</u>	<u>30,887,436</u>
<i>As at 31 March 2022 (Unaudited)</i>				
Total assets	<u>30,917,595</u>	<u>21,298,827</u>	<u>113,137</u>	<u>52,329,559</u>
Total liabilities	<u>1,735,411</u>	<u>-</u>	<u>7,177</u>	<u>1,742,588</u>
<i>Other disclosures:</i>				
Investment in associates	<u>13,498,853</u>	<u>15,776,269</u>	<u>-</u>	<u>29,275,122</u>

10 CAPITAL COMMITMENTS

As at the reporting date, the Group had capital commitments of KD 19,934 (31 December 2022: KD 19,519 and 31 March 2022: KD 104,386) in respect of uncalled capital in certain private equity funds classified as financial assets at FVTPL.

11 FIDUCIARY ASSETS

The Group manages clients; number of investments in a fiduciary capacity. The client assets have no recourse to the general assets of the Group and the Group has no recourse to the assets under management. Accordingly, assets under management are not included in the interim condensed consolidated financial information, as they are not assets of the Group. As at 31 March 2023, portfolio and funds under management amounted to KD 80,926,800 (31 December 2022: KD 88,404,917 and 31 March 2022: KD 101,553,741).

Income earned from fiduciary assets amounted to KD 94,080 for the three months ended 31 March 2023 (31 March 2022: KD 189,460) out of which an amount of KD 79,154 (31 March 2022: KD 171,610) was earned from related parties (Note 8).

12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)*Fair value hierarchy (continued)*

For instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Set out below is the fair values of financial assets measured at fair value on a recurring basis as at 31 March 2023, 31 December 2022 and 31 March 2022:

	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Total KD	KD	KD	KD
31 March 2023				
Financial assets at FVPL*:				
Open-ended fund	8,099,196	-	8,099,196	-
Private equity funds	3,473,501	-	-	3,473,501
Unquoted equity securities	8,052	-	-	8,052
	<u>11,580,749</u>	<u>-</u>	<u>8,099,196</u>	<u>3,481,553</u>
Financial assets at FVOCI:				
Unquoted equity securities	105,666	-	-	105,666
Investment securities (at fair value)	<u>11,686,415</u>	<u>-</u>	<u>8,099,196</u>	<u>3,587,219</u>
	Fair value measurement using			
	Total KD	Quoted prices in active markets (Level 1) KD	Significant observable inputs (Level 2) KD	Significant unobservable inputs (Level 3) KD
31 December 2022 (Audited)				
Financial assets at FVPL*:				
Open-ended fund	8,544,144	-	8,544,144	-
Private equity funds	3,397,717	-	-	3,397,717
Unquoted equity securities	8,052	-	-	8,052
	<u>11,949,913</u>	<u>-</u>	<u>8,544,144</u>	<u>3,405,769</u>
Financial assets at FVOCI:	<u>98,547</u>	<u>-</u>	<u>-</u>	<u>98,547</u>
Unquoted equity securities	98,547	-	-	98,547
Investment securities (at fair value)	<u>12,048,460</u>	<u>-</u>	<u>8,544,144</u>	<u>3,504,316</u>

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12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	Fair value measurement using			
	<i>Total</i>	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
<i>31 March 2022</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets at FVPL*:				
Open-ended fund	10,284,737	-	10,284,737	-
Private equity funds	3,941,592	-	-	3,941,592
Quoted equity securities	1,158,789	1,158,789	-	-
Unquoted equity securities	8,052	-	-	8,052
	<u>15,393,170</u>	<u>1,158,789</u>	<u>10,284,737</u>	<u>3,949,644</u>
Financial assets at FVOCI:				
Unquoted equity securities	516,701	-	-	516,701
Investment securities (at fair value)	<u>15,909,871</u>	<u>1,158,789</u>	<u>10,284,737</u>	<u>4,466,345</u>

* Financial assets at FVPL are presented in the interim condensed consolidated statement of financial position as follows:

	<i>31 March 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>31 March 2022 KD</i>
Non-current	11,580,749	11,949,913	14,234,381
Current	-	-	1,158,789
	<u>11,580,749</u>	<u>11,949,913</u>	<u>15,393,170</u>

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	<i>31 March 2023</i>		
	<i>Financial assets at FVTPL KD</i>	<i>Financial assets at FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2023	3,405,769	98,547	3,504,316
Remeasurement recognised in profit or loss	75,784	-	75,784
Remeasurement recognised in OCI	-	7,119	7,119
As at 31 March 2023	<u>3,481,553</u>	<u>105,666</u>	<u>3,587,219</u>

Coast Investment & Development Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy (continued):

	<i>31 December 2022 (Audited)</i>		
	<i>Financial assets at FVTPL KD</i>	<i>Financial assets at FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2022	4,119,494	505,002	4,624,496
Remeasurement recognised in profit or loss	(608,862)	-	(608,862)
Remeasurement recognised in OCI	-	362,880	362,880
Sales	(104,863)	(769,335)	(874,198)
As at 31 December 2022 (<i>Audited</i>)	<u>3,405,769</u>	<u>98,547</u>	<u>3,504,316</u>
	<i>31 March 2022</i>		
	<i>Financial assets at FVPL KD</i>	<i>Financial assets at FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2022	4,119,494	505,002	4,624,496
Remeasurement recognised in profit or loss	(169,850)	-	(169,850)
Remeasurement recognised in OCI	-	11,699	11,699
As at 31 March 2022	<u>3,949,644</u>	<u>516,701</u>	<u>4,466,345</u>

The valuation techniques and inputs used in this 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 31 December 2022.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates.

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