

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

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

30 JUNE 2022



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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 30 June 2022, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-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 six-month period ended 30 June 2022 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. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2022 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

3 August 2022
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 30 June 2022

	<i>Notes</i>	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>		<i>30 June</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>
INCOME					
Net investment (loss) income	3	(849,540)	1,654,264	557,046	1,864,740
Management fees	12	122,776	150,266	312,236	265,306
Other income		-	-	2,887	5,965
Gain on sale of investment property		-	-	-	98,174
Share of results of associates	5	541,153	58,478	442,785	(453,350)
Net foreign exchange differences		(87,897)	22,056	(106,267)	(75,644)
		(273,508)	1,885,064	1,208,687	1,705,191
EXPENSES					
Staff costs		(230,658)	(243,699)	(489,368)	(477,848)
General and administrative expenses		(91,430)	(56,795)	(158,182)	(131,741)
Depreciation expense		(4,459)	(4,246)	(6,957)	(8,483)
		(326,547)	(304,740)	(654,507)	(618,072)
(LOSS) PROFIT FOR THE PERIOD					
BEFORE TAX		(600,055)	1,580,324	554,180	1,087,119
National Labour Support tax (NLST)		15,355	(25,084)	(13,006)	(25,084)
Zakat		7,837	(10,038)	(3,727)	(10,038)
KFAS		6,001	-	(1,365)	-
(LOSS) PROFIT FOR THE PERIOD		(570,862)	1,545,202	536,082	1,051,997
BASIC AND DILUTED (LOSS)					
EARNINGS PER SHARE					
ATTRIBUTABLE TO EQUITY					
HOLDERS OF THE PARENT COMPANY	4	(1.23) Fils	3.32 Fils	1.15 Fils	2.26 Fils

The attached notes 1 to 13 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 30 June 2022

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
		KD	KD	KD	KD
(LOSS) PROFIT FOR THE PERIOD		(570,862)	1,545,202	536,082	1,051,997
Other comprehensive (loss) income					
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive (loss) income of associates	5	(701,284)	244,363	(945,892)	(293,338)
Exchange differences on translation of foreign operations		(853,727)	189,193	(1,024,656)	(621,978)
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods		(1,555,011)	433,556	(1,970,548)	(915,316)
<i>Other comprehensive (loss) income that will not be reclassified profit or loss in subsequent periods:</i>					
Net (loss) gain on equity instruments designated at FVOCI		(29,847)	91,857	(18,148)	77,350
Share of other comprehensive income of associates	5	965,962	4,919	1,471,796	345,445
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		936,115	96,776	1,453,648	422,795
Other comprehensive (loss) income for the period		(618,896)	530,332	(516,900)	(492,521)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(1,189,758)	2,075,534	19,182	559,476
Attributable to:					
Equity holders of the Parent Company		(1,189,933)	2,075,609	18,919	583,757
Non-controlling interests		175	(75)	263	(24,281)
		(1,189,758)	2,075,534	19,182	559,476

The attached notes 1 to 13 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 30 June 2022

		(Audited)	
	30 June 2022	31 December 2021	30 June 2021
	KD	KD	KD
ASSETS			
Non-current assets			
Property and equipment	1,058,486	1,063,355	1,070,008
Investment property	-	-	37,631
Investment in associates	5 29,226,885	29,283,363	28,554,059
Financial assets at FVTPL	13 12,429,714	13,004,742	11,671,800
Financial assets at FVOCI	13 486,854	505,002	504,802
Other assets	1,651,652	1,750,481	1,817,352
	<u>44,853,591</u>	<u>45,606,943</u>	<u>43,655,652</u>
Current assets			
Financial assets at FVPL	13 640,025	707,873	869,637
Other assets	688,765	673,266	239,566
Term deposits	-	1,255,573	500,000
Cash and cash equivalents	4,728,116	2,839,581	3,634,899
	<u>6,056,906</u>	<u>5,476,293</u>	<u>5,244,102</u>
TOTAL ASSETS	<u><u>50,910,497</u></u>	<u><u>51,083,236</u></u>	<u><u>48,899,754</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6 46,502,690	46,502,690	62,529,315
Statutory reserve	417,657	417,657	11,647,495
Voluntary reserve	417,657	417,657	1,991,146
Treasury shares	7 -	-	(4,775,819)
Treasury shares reserve	7 -	-	25,702
Other reserve	750,598	(721,198)	(667,534)
Foreign currency translation reserve	167,580	2,138,391	3,120,492
Fair value reserve	(2,498,401)	(2,480,253)	(2,480,453)
Retained earnings (accumulated losses)	1,295,128	3,084,181	(23,863,152)
Equity attributable to equity holders of the Parent Company	<u>47,052,909</u>	<u>49,359,125</u>	<u>47,527,192</u>
Non-controlling interests	19,169	18,906	7,799
Total equity	<u><u>47,072,078</u></u>	<u><u>49,378,031</u></u>	<u><u>47,534,991</u></u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits	246,224	268,402	225,732
Current liabilities			
Other liabilities	3,592,195	1,436,803	1,139,031
Total liabilities	<u>3,838,419</u>	<u>1,705,205</u>	<u>1,364,763</u>
TOTAL EQUITY AND LIABILITIES	<u><u>50,910,497</u></u>	<u><u>51,083,236</u></u>	<u><u>48,899,754</u></u>


Faleh Abdullah Eid Al Raqabah
Chairman

The attached notes 1 to 13 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 30 June 2022

	<i>Attributable to equity holders of the Parent Company</i>											
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Fair value reserve KD</i>	<i>Retained earnings (accumulated losses) KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
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	-	-	-	-	-	-	-	-	536,082	536,082	-	536,082
Other comprehensive income (loss) for the period	-	-	-	-	-	1,471,796	(1,970,811)	(18,148)	-	(517,163)	263	(516,900)
Total comprehensive income (loss) for the period	-	-	-	-	-	1,471,796	(1,970,811)	(18,148)	536,082	18,919	263	19,182
Dividends (Note 8)	-	-	-	-	-	-	-	-	(2,325,135)	(2,325,135)	-	(2,325,135)
As at 30 June 2022	46,502,690	417,657	417,657	-	-	750,598	167,580	(2,498,401)	1,295,128	47,052,909	19,169	47,072,078
As at 1 January 2021 (audited)	62,529,315	11,647,495	1,991,146	(4,775,819)	25,702	(1,012,979)	4,011,527	(2,557,803)	(24,915,149)	46,943,435	32,080	46,975,515
Profit for the period	-	-	-	-	-	-	-	-	1,051,997	1,051,997	-	1,051,997
Other comprehensive income (loss) for the period	-	-	-	-	-	345,445	(891,035)	77,350	-	(468,240)	(24,281)	(492,521)
Total comprehensive income (loss) for the period	-	-	-	-	-	345,445	(891,035)	77,350	1,051,997	583,757	(24,281)	559,476
As at 30 June 2021	62,529,315	11,647,495	1,991,146	(4,775,819)	25,702	(667,534)	3,120,492	(2,480,453)	(23,863,152)	47,527,192	7,799	47,534,991

The attached notes 1 to 13 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 30 June 2022

	Notes	Six months ended 30 June	
		2022 KD	2021 KD
OPERATING ACTIVITIES			
Profit before tax		554,180	1,087,119
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Share of results of associates	5	(442,785)	453,350
Realised gain on sale of financial assets at FVPL	3	(98,673)	(112,550)
Unrealised loss (gain) on financial assets at FVPL	3	517,385	(1,707,238)
Gain on sale of investment property		-	(98,174)
Interest income	3	(34,593)	(11,911)
Dividends income	3	(941,165)	(33,041)
Net foreign exchange differences		106,267	75,644
Depreciation expense		6,957	8,483
Provision for employees' end of service benefits		56,254	35,122
		(276,173)	(303,196)
<i>Changes in working capital:</i>			
Financial assets at FVPL		224,164	(133,565)
Other assets		(15,345)	185,841
Other liabilities		(103,841)	(13,659)
Board of Directors' remuneration paid		(84,000)	-
Cash flows used in operations		(255,195)	(264,579)
Employees' end of service benefits paid		(78,432)	(116,081)
Dividends income received		941,165	9,588
Net cash flows from (used in) operating activities		607,538	(371,072)
INVESTING ACTIVITIES			
Purchase of property and equipment		(2,088)	(1,213)
Proceeds from sale of investment property		-	209,560
Withdrawal of term deposits		1,255,573	-
Placement of term deposits		-	(500,000)
Interest income received		27,001	24,653
Net cash flows from (used in) investing activities		1,280,486	(267,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,888,024	(638,072)
Net foreign exchange differences		511	(9,492)
Cash and cash equivalents as at 1 January		2,839,581	4,282,463
CASH AND CASH EQUIVALENTS AS AT 30 JUNE		4,728,116	3,634,899

The attached notes 1 to 13 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 30 June 2022

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 six month period end 30 June 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 3 August 2022.

The consolidated financial statements for the year ended 31 December 2021 were approved by the shareholders at the Annual General Assembly meeting (“AGM”) held on 25 May 2022. Dividends declared and paid by the Group for the year then ended are provided in Note 8.

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 registered with the Central Bank of Kuwait (“CBK”) as a finance company and is subject to the supervision of Capital Markets Authority (“CMA”).

The Parent Company’s registered office is at P.O. Box 26755, Safat 13128, State of Kuwait.

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 lending, 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, provided that the Parent Company practices that activity after obtaining the prior approval of the Central Bank of Kuwait for each securitization operation.
- ▶ Acting as a collective investment scheme manager.
- ▶ Managing the funds of public institutions, private properties of others and investing these funds in various economic sectors, including managing real estate portfolios and employing them in all aspects of investment locally and globally.

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
		30 June 2022	31 December 2021	30 June 2021	
Directly held					
Coast Investments Limited (“CIL”)	BVI	100%	100%	100%	Investment services
Coast Holding Corporation (“CHC”)*	USA	100%	100%	100%	Investment services
Indirectly held through CHC					
Winters Estate LLC (“Winters”)	USA	80%	80%	80%	Real estate services

*This subsidiary is under dissolution, and it is not considered as a separate major line of business.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

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 six months ended 30 June 2022 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 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 2021.

Certain prior period amounts have been reclassified to conform to the current period presentation. There is no effect of these reclassifications on the previously reported equity and profit for the period then ended. Such reclassification has been made to improve the quality of information presented.

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 2021, except for the adoption of new standards effective as of 1 January 2022. 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 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

These amendments had no impact on the interim condensed consolidated financial information as the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)**2.2 New standards, interpretations and amendments adopted by the Group (continued)****Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)**

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of 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 as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

3 NET INVESTMENT (LOSS) INCOME

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>(restated*)</i>		<i>(restated*)</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>
Realised gain on sale of financial assets at FVPL	9,842	56,477	98,673	112,550
Unrealised (loss) gain on sale of financial assets at FVPL, net*	(1,806,121)	1,568,688	(517,385)	1,707,238
Interest income*	16,574	11,911	34,593	11,911
Dividends income*	930,165	17,188	941,165	33,041
	(849,540)	1,654,264	557,046	1,864,740

* This includes transactions with related parties amounting to KD 838,040 (30 June 2021:KD 1,307,045) (Note 9).

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 30 June 2022

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>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>(restated*)</i> <i>2021</i>	<i>2022</i>	<i>(restated*)</i> <i>2021</i>
(Loss) profit for the period attributable to equity holders of the Parent Company (KD)	(570,862)	1,545,202	536,082	1,051,997
Weighted average number of shares outstanding during the period (shares)**	465,026,902	465,026,902	465,026,902	465,026,902
Basic and diluted EPS (Fils)	(1.23) Fils	3.32 Fils	1.15 Fils	2.26 Fils

*In accordance with International Accounting Standard IAS 33: "Earnings Per Share", the prior period comparative information has been restated as a result of the reduction in share capital (Note 6). EPS for the three-month ended 30 June 2021 was 2.64 fils and for the six-month ended 30 June 2021 was 1.80 fils before the retrospective adjustment to the weighted average number of shares following the reduction in share capital.

** 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.

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		
			<i>(Audited)</i>			<i>(Audited)</i>		
			<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
			<i>2022</i>	<i>2021</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
			<i>KD</i>			<i>KD</i>	<i>KD</i>	<i>KD</i>
Rico GmbH Kuwaiti German Holding Company K.S.C. (Closed)	Germany	Manufacturing	23.73	23.73	23.73	2,462,408	2,578,557	2,764,696
("KGH")*	Kuwait	Investment	23.49	23.49	23.49	13,489,819	13,561,583	13,058,441
Weinig International A.G. ("Weinig")	Germany	Manufacturing	12.37	12.37	12.37	13,274,658	13,143,223	12,730,922
						29,226,885	29,283,363	28,554,059

* The Group lost its representation in the board of directors in these equity accounted investees. The management believes that the Group still has the right to exert significant influence through other means, and accordingly continues to apply the equity method in accounting for these investments. KGH has a direct ownership of 52% in Weinig.

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5 INVESTMENT IN ASSOCIATES (continued)

Reconciliation to carrying amounts:

	<i>30 June</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
As at 1 January	29,283,363	29,565,180	29,565,180
Share of results	442,785	1,465,669	(453,350)
Share of other comprehensive loss that may be reclassified profit or loss in subsequent periods	(945,892)	(563,549)	(293,338)
Share of other comprehensive income that will not be reclassified to profit or loss in subsequent periods	1,471,796	291,781	345,445
Dividends	-	(132,476)	-
Exchange differences	(1,025,167)	(1,343,242)	(609,878)
As at end of the period/year	<u>29,226,885</u>	<u>29,283,363</u>	<u>28,554,059</u>

6 SHARE CAPITAL

The authorised, issued and paid-up capital of the Parent Company is KD 46,502,690 (31 December 2021 KD 46,502,690 and 30 June 2021: KD 62,529,315) that consist of 465,026,902 shares (31 December 2021: 465,026,902 and 30 June 2021: 625,293,152 shares) of 100 fils per share, which are fully paid in cash.

The Board of Directors of the Parent Company in their meeting held on 5 May 2021 proposed to extinguish accumulated losses as at 31 December 2020 through utilising statutory reserve, voluntary reserve, cancelling the treasury shares, transferring the treasury shares reserve and a partial reduction in share capital from KD 62,529,315 to KD 46,502,690 (Note 7). This proposal has been subsequently approved by the shareholders at the extraordinary general assembly meeting (“EGM”) held on 8 July 2021. The capital reduction was authenticated in the commercial register on 23 August 2021 under registration number 22804.

7 TREASURY SHARES AND TREASURY SHARES RESERVE

	<i>30 June</i> <i>2022</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i>	<i>30 June</i> <i>2021</i>
Number of treasury shares	-	-	40,820,086
Percentage of total outstanding shares (%)	-	-	6.53%
Market value (KD)	-	-	3,020,686
Cost (KD)	-	-	4,775,819
Weighted average market value per share (Fils)	-	-	53

The Board of Directors of the Parent Company in their meeting held on 5 May 2021 proposed to extinguish accumulated losses as at 31 December 2021 through utilising statutory reserve, voluntary reserve, partial decrease in share capital and cancelling 40,820,086 shares of treasury shares at nominal value 100 fils each aggregating to KD 4,082,008 and transferring the difference between the purchase cost and nominal value amounting to KD 693,811 in addition to the treasury shares reserve balance of KD 25,702 to accumulated losses. This proposal has been subsequently approved by the shareholders at the EGM held on 8 July 2021. The capital reduction was authenticated in the commercial register on 23 August 2021 under registration number 22804 (Note 6).

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8 DIVIDENDS

On 25 May 2022, the shareholders approved in the AGM the distribution of cash dividends of 5 fils per share to the shareholders registered on 28 June 2022 aggregating to KD 2,325,135 for the year ended 31 December 2021 (2020: Nil). The dividends were recorded in the interim condensed consolidated financial information as a liability and were paid subsequently.

9 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 six-month period ended 30 June 2022 and 2021, as well as balances with related parties as at 30 June 2022, 31 December 2021 and 30 June 2021:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
<i>Included in the interim condensed consolidated statement of profit or loss:</i>				
Management fees (Note 12)	104,358	136,756	275,968	235,802
Interest income (Note 3)	3,818	4,226	7,592	8,380
Unrealised (loss) gain on sale of financial assets at FVPL, net (Note 3)	(1,470,632)	1,026,468	(71,143)	1,298,665
Dividends income	901,591	-	901,591	-
			<i>(Audited)</i>	
			<i>30 June</i>	<i>31 December</i>
	<i>Associates</i>	<i>Others</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Statement of interim condensed consolidated financial position:</i>				
Promissory notes*	1,563,964	-	1,563,964	1,663,994
Accrued management fees	-	104,358	104,358	109,049
Investment in a managed fund	-	8,814,105	8,814,105	8,190,223
Other liabilities	-	-	-	170,000

* Promissory notes represent a financing arrangement to an associate for the purpose of financing its operations and earn interest at 1.039% (31 December 2021: 0.95% and 30 June 2021: 0.96 %) 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.

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

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9 RELATED PARTY DISCLOSURES (continued)

Key management personnel (continued):

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>Six months ended</i>		<i>30 June</i>	<i>30 June</i>
	<i>30 June</i>		<i>30 June</i>		<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</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>	<i>KD</i>	<i>KD</i>
<i>Key management personnel compensation</i>						
Salaries and other short-term benefits	43,047	84,364	108,982	168,728	36,738	88,537
End of service benefits	2,328	6,050	8,078	12,100	47,246	92,467
	45,375	90,414	117,060	180,828	83,984	181,004

10 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 six months ended 30 June 2022 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total income	1,073,788	134,899	-	1,208,687
Share of results of associates	147,543	295,242	-	442,785
Depreciation expense	(6,957)	-	-	(6,957)
Profit for the period	401,183	134,899	-	536,082

	For the six months ended 30 June 2021 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total income	1,133,596	476,627	94,968	1,705,191
Share of results of associates	(390,132)	(63,218)	-	(453,350)
Depreciation expense	(8,483)	-	-	(8,483)
Profit for the period	481,473	476,627	93,897	1,051,997

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As at and for the period ended 30 June 2022

10 SEGMENT INFORMATION (continued)

	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
<i>As at 30 June 2022 (Unaudited)</i>				
Total assets	29,957,325	20,838,993	114,179	50,910,497
Total liabilities	3,817,724	-	20,695	3,838,419
<i>Other disclosures:</i>				
Investment in associates	13,489,819	15,737,066	-	29,226,885
<i>As at 31 December 2021 (Audited)</i>				
Total assets	29,542,272	21,428,346	112,618	51,083,236
Total liabilities	1,698,061	-	7,144	1,705,205
<i>Other disclosures:</i>				
Investment in associates	13,561,583	15,721,780	-	29,283,363
<i>As at 30 June 2021 (Unaudited)</i>				
Total assets	28,151,356	20,579,635	168,763	48,899,754
Total liabilities	1,357,653	-	7,110	1,364,763
<i>Other disclosures:</i>				
Investment in associates	13,058,441	15,495,618	-	28,554,059

11 CAPITAL COMMITMENTS

As at the reporting date, the Group had capital commitments of KD 19,238 (31 December 2021: KD 105,535 and 30 June 2021: KD 110,316) in respect of uncalled capital in certain private equity funds classified as financial assets at FVTPL.

12 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 30 June 2022, portfolio and funds under management amounted to KD 90,350,625 (31 December 2021: KD 98,028,275 and 30 June 2021: KD 98,235,561).

Income earned from fiduciary assets amounted to KD 312,236 for the six months ended 30 June 2022 (30 June 2021: KD 265,306) out of which, amounted to KD 275,968 (30 June 2021: KD 235,802) was earned from related parties (Note 9).

13 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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13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	Fair value measurement using			
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
<i>30 June 2021</i>	<i>Total KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets at FVPL*:				
Open-ended fund	8,190,223	-	8,190,223	-
Private equity funds	3,473,299	-	-	3,473,299
Quoted equity securities	869,637	869,637	-	-
Unquoted equity securities	8,278	-	-	8,278
	<u>12,541,437</u>	<u>869,637</u>	<u>8,190,223</u>	<u>3,481,577</u>
Financial assets at FVOCI:				
Unquoted equity securities	504,802	-	-	504,802
Investment securities (at fair value)	<u>13,046,239</u>	<u>869,637</u>	<u>8,190,223</u>	<u>3,986,379</u>

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

	<i>30 June 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 June 2021 KD</i>
Non-current	12,429,714	13,004,742	11,671,800
Current	640,025	707,873	869,637
	<u>13,069,739</u>	<u>13,712,615</u>	<u>12,541,437</u>

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

	<i>30 June 2022</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 OCI	-	(18,148)	(18,148)
Remeasurement recognised in profit or loss	(457,742)	-	(457,742)
Sales	(46,143)	-	(46,143)
As at 30 June 2022	<u>3,615,609</u>	<u>486,854</u>	<u>4,102,463</u>

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

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13 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 2021 (Audited)</i>		
	<i>Financial assets at FVTPL KD</i>	<i>Financial assets at FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2021	3,183,816	427,452	3,611,268
Remeasurement recognised in profit or loss	1,060,734	-	1,060,734
Remeasurement recognised in OCI	-	77,550	77,550
Purchases	-	-	-
Sales	(125,056)	-	(125,056)
As at 31 December 2021 (Audited)	<u>4,119,494</u>	<u>505,002</u>	<u>4,624,496</u>
	<i>30 June 2021</i>		
	<i>Financial assets at FVPL KD</i>	<i>Financial assets at FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2021	3,183,816	427,452	3,611,268
Remeasurement recognised in OCI	-	77,350	77,350
Remeasurement recognised in profit or loss	386,832	-	386,832
Sales	(89,071)	-	(89,071)
As at 30 June 2021	<u>3,481,577</u>	<u>504,802</u>	<u>3,986,379</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 2021.

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.