

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

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

31 MARCH 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 31 March 2022, 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.

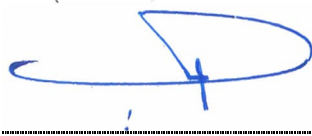
Report on Other Legal and Regulatory Requirements

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 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 three-month period ended 31 March 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

10 May 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 31 March 2022

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2022	2021
		KD	KD
INCOME			
Net investment income	3	1,406,586	210,476
Management fees	12	189,460	115,040
Other income		2,887	5,965
Gain on sale of investment property		-	98,174
Share of results of associates	5	(98,368)	(511,828)
Net foreign exchange differences		(18,370)	(97,700)
		1,482,195	(179,873)
EXPENSES			
Staff costs		(258,710)	(234,149)
General and administrative expenses		(66,752)	(74,946)
Depreciation expense		(2,498)	(4,237)
		(327,960)	(313,332)
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX		1,154,235	(493,205)
National Labour Support tax (NLST)		(28,361)	-
Zakat		(11,564)	-
KFAS		(7,366)	-
PROFIT (LOSS) FOR THE PERIOD		1,106,944	(493,205)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	2.38 Fils	(1.06) 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 31 March 2022

	Note	Three months ended 31 March	
		2022 KD	2021 KD
PROFIT (LOSS) FOR THE PERIOD		1,106,944	(493,205)
Other comprehensive income (loss)			
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>			
Share of other comprehensive loss of associates	5	(244,608)	(537,701)
Exchange differences on translation of foreign operations		(170,929)	(811,171)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(415,537)	(1,348,872)
<i>Other comprehensive income (loss) that will not be reclassified profit or loss in subsequent periods:</i>			
Net gain (loss) on equity instruments designated at FVOCI		11,699	(14,507)
Share of other comprehensive income of associates	5	505,834	340,526
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		517,533	326,019
Other comprehensive income (loss) for the period		101,996	(1,022,853)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		1,208,940	(1,516,058)
Attributable to:			
Equity holders of the Parent Company		1,208,852	(1,491,852)
Non-controlling interests		88	(24,206)
		1,208,940	(1,516,058)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.P.S.C. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at 31 March 2022

		(Audited)	
	Notes	31 March 2022 KD	31 December 2021 KD
		31 March 2021 KD	
ASSETS			
Non-current assets			
Property and equipment		1,060,857	1,063,355
Investment property		-	37,800
Investment in associates	5	29,275,122	29,283,363
Financial assets at FVPL	13	14,234,381	13,004,742
Financial assets at FVOCI	13	516,701	505,002
Other assets		1,736,814	1,750,481
		<u>46,823,875</u>	<u>45,606,943</u>
			<u>41,513,390</u>
Current assets			
Financial assets at FVPL	13	1,158,789	707,873
Other assets		236,975	673,266
Term deposits		500,000	700,000
Cash and cash equivalents		3,609,920	2,839,581
		<u>5,505,684</u>	<u>5,476,293</u>
			<u>5,258,760</u>
TOTAL ASSETS		<u>52,329,559</u>	<u>51,083,236</u>
			<u>46,772,150</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	46,502,690	46,502,690
Statutory reserve		417,657	417,657
Voluntary reserve		417,657	417,657
Treasury shares	7	-	-
Treasury shares reserve	7	-	-
Other reserve		(215,364)	(721,198)
Foreign currency translation reserve		1,722,766	2,138,391
Fair value reserve		(2,468,554)	(2,480,253)
Retained earnings (accumulated losses)		4,191,125	3,084,181
		<u>50,567,977</u>	<u>49,359,125</u>
Equity attributable to equity holders of the Parent Company		50,567,977	49,359,125
Non-controlling interests		18,994	18,906
		<u>50,586,971</u>	<u>49,378,031</u>
			<u>45,459,457</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits		259,589	268,402
		<u>259,589</u>	<u>268,402</u>
Current liabilities			
Other liabilities		1,482,999	1,436,803
		<u>1,482,999</u>	<u>1,436,803</u>
Total liabilities		<u>1,742,588</u>	<u>1,705,205</u>
			<u>1,312,693</u>
TOTAL EQUITY AND LIABILITIES		<u>52,329,559</u>	<u>51,083,236</u>
			<u>46,772,150</u>


Osama A. KH. Al Ayoub
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 31 March 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	-	-	-	-	-	-	-	-	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
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
Loss for the period	-	-	-	-	-	-	-	-	(493,205)	(493,205)	-	(493,205)
Other comprehensive income (loss) for the period	-	-	-	-	-	340,526	(1,324,666)	(14,507)	-	(998,647)	(24,206)	(1,022,853)
Total comprehensive income (loss) for the period	-	-	-	-	-	340,526	(1,324,666)	(14,507)	(493,205)	(1,491,852)	(24,206)	(1,516,058)
As at 31 March 2021	62,529,315	11,647,495	1,991,146	(4,775,819)	25,702	(672,453)	2,686,861	(2,572,310)	(25,408,354)	45,451,583	7,874	45,459,457

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 31 March 2022

	Notes	Three months ended	
		31 March	
		2022	2021
		KD	KD
OPERATING ACTIVITIES			
Profit (loss) before tax		1,154,235	(493,205)
<i>Adjustments to reconcile profit (loss) before tax to net cash flows:</i>			
Share of results of associates	5	98,368	511,828
Realised gain on sale of financial assets at FVPL	3	(88,831)	(56,073)
Unrealised gain on financial assets at FVPL	3	(1,288,736)	(138,550)
Gain on sale of investment property		-	(98,174)
Interest income	3	(18,019)	(15,853)
Dividends income	3	(11,000)	-
Net foreign exchange differences		18,370	97,700
Depreciation expense		2,498	4,237
Provision for employees' end of service benefits		28,465	16,405
		(104,650)	(171,685)
<i>Changes in working capital:</i>			
Financial assets at FVPL		(302,988)	(118,290)
Other assets		435,362	(52,442)
Other liabilities		(1,095)	(11,890)
Cash flows from (used in) operations		26,629	(354,307)
Employees' end of service benefits paid		(37,278)	(116,081)
Dividends income received		11,000	-
Net cash flows from (used in) operating activities		351	(470,388)
INVESTING ACTIVITIES			
Purchase of property and equipment		-	(528)
Proceeds from sale of investment property		-	209,560
Maturity (placement) of term deposits		755,573	(700,000)
Interest income received		14,245	15,970
Net cash flows from (used in) investing activities		769,818	(474,998)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		770,169	(945,386)
Net foreign exchange differences		170	(9,787)
Cash and cash equivalents as at 1 January		2,839,581	4,282,463
CASH AND CASH EQUIVALENTS AS AT 31 MARCH		3,609,920	3,327,290

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 31 March 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 three-month period ended 31 March 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 10 May 2022.

The ordinary Annual General Assembly meeting (“AGM”) for the year ended 31 December 2021 has not been convened as at the date of authorisation of this interim condensed consolidated financial information. Accordingly, the financial statements for the year ended 31 December 2021 have not yet been approved. The opening balances as at 1 January 2022 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 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
		31 March 2022	31 December 2021	31 March 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 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 three months ended 31 March 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 31 March 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 INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
	KD	KD
Realised gain on sale of financial assets at FVPL	88,831	56,073
Unrealised gain on sale of financial assets at FVPL, net*	1,288,736	138,550
Interest income*	18,019	15,853
Dividends income	11,000	-
	1,406,586	210,476

* This includes transactions with related parties amounting to KD 1,403,263 (31 March 2021: KD 276,351) (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 31 March 2022

4 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit (loss) 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 profit (loss) 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>	
	2022	<i>(restated*)</i> 2021
Profit (loss) for the period attributable to equity holders of the Parent Company (KD)	1,106,944	(493,205)
Weighted average number of shares outstanding during the period (shares)**	465,026,902	465,026,902
Basic and diluted EPS (Fils)	2.38	(1.06)

*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 31 March 2021 was (0.84) 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>31 March</i> 2022	<i>31 December</i> 2021	<i>31 March</i> 2021	<i>31 March</i> 2022	<i>31 December</i> 2021	<i>31 March</i> 2021
			KD	KD	KD			
Rico GmbH Kuwaiti German Holding Company K.S.C. (Closed)	Germany	Manufacturing	23.73	23.73	23.73	2,515,461	2,578,557	2,704,389
("KGH")*	Kuwait	Investment	23.49	23.49	23.49	13,498,853	13,561,583	12,829,579
Weinig International A.G. ("Weinig")	Germany	Manufacturing	12.37	12.37	12.37	13,260,808	13,143,223	12,523,264
						29,275,122	29,283,363	28,057,232

* 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.

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 2022

5 INVESTMENT IN ASSOCIATES (continued)

Reconciliation to carrying amounts:

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
As at 1 January	29,283,363	29,565,180	29,565,180
Share of results	(98,368)	1,465,669	(511,828)
Share of other comprehensive loss that may be reclassified profit or loss in subsequent periods	(244,608)	(563,549)	(537,701)
Share of other comprehensive income that will not be reclassified to profit or loss in subsequent periods	505,834	291,781	340,526
Dividends	-	(132,476)	-
Exchange differences	(171,099)	(1,343,242)	(798,945)
As at end of the period/year	<u>29,275,122</u>	<u>29,283,363</u>	<u>28,057,232</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 31 March 2021: KD 62,529,315) that consist of 465,026,902 shares (31 December 2021: 465,026,902 and 31 March 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>31 March</i> <i>2022</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i>	<i>31 March</i> <i>2021</i>
Number of treasury shares	-	-	40,820,086
Percentage of total outstanding shares (%)	-	-	6.53%
Market value (KD)	-	-	1,571,573
Cost (KD)	-	-	4,775,819
Weighted average market value per share (Fils)	-	-	41

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).

8 DIVIDENDS

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 2021 (2020: Nil). This proposal is subject to approval of the Parent Company's shareholders in the AGM.

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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 three-month period ended 31 March 2022 and 2021, as well as balances with related parties as at 31 March 2022, 31 December 2021 and 31 March 2021:

	<i>Associates</i> <i>KD</i>	<i>Others</i> <i>KD</i>	<i>Three months ended</i> <i>31 March</i>		
			<i>2022</i> <i>KD</i>	<i>2021</i> <i>KD</i>	
<i>Included in the interim condensed consolidated statement of profit or loss:</i>					
Management fees (Note 12)	-	171,610	171,610	99,046	
Interest income (Note 3)	3,774	-	3,774	4,154	
Unrealised gain on sale of financial assets at FVPL, net (Note 3)	-	1,399,489	1,399,489	272,197	
<i>(Audited)</i>					
	<i>Associates</i> <i>KD</i>	<i>Others</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
<i>Statement of interim condensed consolidated financial position:</i>					
Promissory notes*	1,649,926	-	1,649,926	1,663,994	1,705,629
Accrued management fees	-	105,249	105,249	109,049	118,527
Investment in a managed fund	-	10,284,737	10,284,737	8,885,248	7,163,755
Other liabilities	-	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 0.93% (31 December 2021: 0.95% and 31 March 2021: 0.95 %) 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>Three months ended</i> <i>31 March</i>		<i>Balances outstanding as at</i> <i>(Audited)</i>		
	<i>2022</i> <i>KD</i>	<i>2021</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
	<i>Key management personnel compensation</i>				
Salaries and other short-term benefits	65,935	84,364	69,023	80,712	81,202
End of service benefits	5,750	6,050	84,846	109,540	85,759
	71,685	90,414	153,869	190,252	166,961

The Board of Directors of the Parent Company proposed a directors' remuneration of KD 84,000 for the year ended 31 December 2021 (31 December 2020: Nil) This proposal is subject to approval of the shareholders of the Parent Company at the AGM.

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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 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 (loss)	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

	For the three months ended 31 March 2021 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total (loss) income	(164,163)	(115,072)	99,362	(179,873)
Share of results of associates	(337,176)	(174,652)	-	(511,828)
Depreciation expense	(4,237)	-	-	(4,237)
(Loss) profit for the period	(472,412)	(115,072)	94,279	(493,205)

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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 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>
<i>As at 31 December 2021 (Audited)</i>				
Total assets	<u>29,542,272</u>	<u>21,428,346</u>	<u>112,618</u>	<u>51,083,236</u>
Total liabilities	<u>1,698,061</u>	<u>-</u>	<u>7,144</u>	<u>1,705,205</u>
<i>Other disclosures:</i>				
Investment in associates	<u>13,561,583</u>	<u>15,721,780</u>	<u>-</u>	<u>29,283,363</u>
<i>As at 31 March 2021 (Unaudited)</i>				
Total assets	<u>26,606,933</u>	<u>19,781,111</u>	<u>384,106</u>	<u>46,772,150</u>
Total liabilities	<u>1,300,252</u>	<u>-</u>	<u>12,441</u>	<u>1,312,693</u>
<i>Other disclosures:</i>				
Investment in associates	<u>12,829,579</u>	<u>15,227,653</u>	<u>-</u>	<u>28,057,232</u>

11 CAPITAL COMMITMENTS

As at the reporting date, the Group had capital commitments of KD 104,386 (31 December 2021: KD 105,535 and 31 March 2021: KD 108,944) 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 31 March 2022, portfolio and funds under management amounted to KD 101,553,741 (31 December 2021: KD 98,028,275 and 31 March 2021: KD 97,328,661).

Income earned from fiduciary assets amounted to KD 189,460 for the three months ended 31 March 2022 (31 March 2021: KD 115,040) out of which, amounted to KD 171,610 (31 March 2021: KD 99,046) 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			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
31 March 2021	Total KD	KD	KD	KD
Financial assets at FVPL*:				
Open-ended fund	7,163,755	-	7,163,755	-
Private equity funds	2,968,457	-	-	2,968,457
Quoted equity securities	761,240	761,240	-	-
Unquoted equity securities	7,545	-	-	7,545
	<u>10,900,997</u>	<u>761,240</u>	<u>7,163,755</u>	<u>2,976,002</u>
Financial assets at FVOCI:				
Unquoted equity securities	412,945	-	-	412,945
Investment securities (at fair value)	<u>11,313,942</u>	<u>761,240</u>	<u>7,163,755</u>	<u>3,388,947</u>

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

	31 March 2022 KD	(Audited) 31 December 2021 KD	31 March 2021 KD
Non-current	14,234,381	13,004,742	10,139,757
Current	1,158,789	707,873	761,240
	<u>15,393,170</u>	<u>13,712,615</u>	<u>10,900,997</u>

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

	31 March 2022		
	Financial assets at FVTPL KD	Financial assets at FVOCI KD	Total KD
As at 1 January 2022	4,119,494	505,002	4,624,496
Remeasurement recognised in OCI	-	11,699	11,699
Remeasurement recognised in profit or loss	(169,850)	-	(169,850)
As at 31 March 2022	<u>3,949,644</u>	<u>516,701</u>	<u>4,466,345</u>

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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	<u>4,119,494</u>	<u>505,002</u>	<u>4,624,496</u>
	<i>31 March 2021</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	(118,744)	-	(118,744)
Remeasurement recognised in OCI	-	(14,507)	(14,507)
Sales	(89,070)	-	(89,070)
As at 31 March 2021	<u>2,976,002</u>	<u>412,945</u>	<u>3,388,947</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.