

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

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

30 SEPTEMBER 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 September 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 nine-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 nine-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 nine-month period ended 30 September 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. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 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

2 November 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 September 2022

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		2022	2021	2022	2021
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
INCOME					
Net investment income	3	82,078	1,233,612	639,124	3,098,352
Management fees	12	111,960	175,350	424,196	440,656
Other income		13,452	4,163	16,339	10,128
Gain on sale of investment property		-	-	-	98,174
Share of results of associates	5	98,872	872,992	541,657	419,642
Net foreign exchange differences		(117,412)	(40,610)	(223,679)	(116,254)
		188,950	2,245,507	1,397,637	3,950,698
EXPENSES					
Staff costs		(201,963)	(239,334)	(691,331)	(717,182)
General and administrative expenses		(63,615)	(63,653)	(221,797)	(195,394)
Depreciation expense		(1,066)	(4,136)	(8,023)	(12,619)
		(266,644)	(307,123)	(921,151)	(925,195)
(LOSS) PROFIT FOR THE PERIOD BEFORE TAX					
		(77,694)	1,938,384	476,486	3,025,503
National Labour Support tax (NLST)		1,483	(48,961)	(11,523)	(74,045)
Zakat		677	(19,580)	(3,050)	(29,618)
KFAS		1,365	(27,230)	-	(27,230)
(LOSS) PROFIT FOR THE PERIOD					
		(74,169)	1,842,613	461,913	2,894,610
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
	4	(0.16) Fils	3.96 Fils	0.99 Fils	6.22 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 September 2022

	Note	Three months ended 30 September		Nine months ended 30 September	
		2022	2021	2022	2021
		KD	KD	KD	KD
(LOSS) PROFIT FOR THE PERIOD		(74,169)	1,842,613	461,913	2,894,610
Other comprehensive (loss) income					
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive loss of associates	5	(542,036)	(125,407)	(1,487,928)	(418,745)
Exchange differences on translation of foreign operations		(1,110,524)	(373,024)	(2,135,180)	(995,002)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(1,652,560)	(498,431)	(3,623,108)	(1,413,747)
<i>Other comprehensive income (loss) that will not be reclassified profit or loss in subsequent periods:</i>					
Net gain on equity instruments designated at FVOCI		170,298	12,083	152,150	89,433
Share of other comprehensive (loss) income of associates	5	(235,489)	(7,165)	1,236,307	338,280
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods		(65,191)	4,918	1,388,457	427,713
Other comprehensive loss for the period		(1,717,751)	(493,513)	(2,234,651)	(986,034)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(1,791,920)	1,349,100	(1,772,738)	1,908,576
Attributable to:					
Equity holders of the Parent Company		(1,791,657)	1,348,812	(1,772,738)	1,932,569
Non-controlling interests		(263)	288	-	(23,993)
		(1,791,920)	1,349,100	(1,772,738)	1,908,576

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 September 2022

		(Audited)	
	30 September 2022	31 December 2021	30 September 2021
Notes	KD	KD	KD
ASSETS			
Non-current assets			
Property and equipment	1,057,420	1,063,355	1,066,587
Investment property	-	-	37,706
Investment in associates	5 27,339,101	29,283,363	28,921,257
Financial assets at FVTPL	13 11,687,788	13,004,742	12,767,119
Financial assets at FVOCI	13 141,972	505,002	516,885
Other assets	1,541,919	1,750,481	1,782,522
	<u>41,768,200</u>	<u>45,606,943</u>	<u>45,092,076</u>
Current assets			
Financial assets at FVPL	13 764,000	707,873	986,793
Other assets	1,345,357	673,266	242,165
Term deposits	1,846,619	1,255,573	1,255,574
Cash and cash equivalents	972,269	2,839,581	2,820,335
	<u>4,928,245</u>	<u>5,476,293</u>	<u>5,304,867</u>
TOTAL ASSETS	<u><u>46,696,445</u></u>	<u><u>51,083,236</u></u>	<u><u>50,396,943</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6 46,502,690	46,502,690	46,502,690
Statutory reserve	417,657	417,657	-
Voluntary reserve	417,657	417,657	-
Other reserve	515,109	(721,198)	(674,699)
Foreign currency translation reserve	(1,484,717)	2,138,391	2,621,773
Fair value reserve	(1,136,083)	(2,480,253)	(2,468,370)
Retained earnings	28,939	3,084,181	2,894,610
Equity attributable to equity holders of the Parent Company	<u>45,261,252</u>	<u>49,359,125</u>	<u>48,876,004</u>
Non-controlling interests	-	18,906	8,087
Total equity	<u><u>45,261,252</u></u>	<u><u>49,378,031</u></u>	<u><u>48,884,091</u></u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits	264,591	268,402	246,784
Current liabilities			
Other liabilities	1,170,602	1,436,803	1,266,068
Total liabilities	<u>1,435,193</u>	<u>1,705,205</u>	<u>1,512,852</u>
TOTAL EQUITY AND LIABILITIES	<u><u>46,696,445</u></u>	<u><u>51,083,236</u></u>	<u><u>50,396,943</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 September 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
Why is the Profit for the period	-	-	-	-	-	-	-	-	461,913	461,913	-	461,913
Other comprehensive income (loss) for the period	-	-	-	-	-	1,236,307	(3,623,108)	152,150	-	(2,234,651)	-	(2,234,651)
Total comprehensive income (loss) for the period	-	-	-	-	-	1,236,307	(3,623,108)	152,150	461,913	(1,772,738)	-	(1,772,738)
Transfer of reserve on redemptions of equity investments designated at FVOCI to retained earnings	-	-	-	-	-	-	-	1,192,020	(1,192,020)	-	-	-
Dividends (Note 8)	-	-	-	-	-	-	-	-	(2,325,135)	(2,325,135)	-	(2,325,135)
Net movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(18,906)	(18,906)
As at 30 September 2022	46,502,690	417,657	417,657	-	-	515,109	(1,484,717)	(1,136,083)	28,939	45,261,252	-	45,261,252
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	-	-	-	-	-	-	-	-	2,894,610	2,894,610	-	2,894,610
Total comprehensive income (loss) for the period	-	-	-	-	-	338,280	(1,389,754)	89,433	-	(962,041)	(23,993)	(986,034)
Total comprehensive income (loss) for the period	-	-	-	-	-	338,280	(1,389,754)	89,433	2,894,610	1,932,569	(23,993)	1,908,576
Extinguishment of accumulated losses (Note 6 and 7)	(16,026,625)	(11,647,495)	(1,991,146)	4,775,819	(25,702)	-	-	-	24,915,149	-	-	-
As at 30 September 2021	46,502,690	-	-	-	-	(674,699)	2,621,773	(2,468,370)	2,894,610	48,876,004	8,087	48,884,091

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 September 2022

	Notes	<i>Nine months ended</i>	
		<i>30 September</i>	
		2022	2021
		KD	KD
OPERATING ACTIVITIES			
Profit before tax		476,486	3,025,503
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Share of results of associates	5	(541,657)	(419,642)
Realised (gain) on sale of financial assets at FVPL	3	(163,771)	(173,824)
Unrealised loss (gain) on financial assets at FVPL	3	1,204,822	(2,859,405)
Gain on liquidation of subsidiaries		(13,452)	-
Gain on sale of investment property		-	(98,174)
Interest income	3	(52,104)	(52,972)
Dividends income	3	(1,628,071)	(12,151)
Net foreign exchange differences		223,679	116,254
Depreciation expense		8,023	12,619
Provision for employees' end of service benefits		74,621	56,174
		(411,424)	(405,618)
<i>Changes in working capital:</i>			
Financial assets at FVPL		219,776	(132,599)
Financial assets at FVOCI		515,180	-
Other assets		(14,513)	180,714
Other liabilities		(107,809)	17,607
Cash flows from (used in) operations		201,210	(339,896)
Employees' end of service benefits paid		(78,432)	(116,081)
Taxes paid		(176,241)	-
Board of Directors' remuneration paid		(84,000)	-
Dividends income received		941,165	12,151
Net cash flows from (used in) operating activities		803,702	(443,826)
INVESTING ACTIVITIES			
Purchase of property and equipment		(2,088)	(1,928)
Proceeds from dissolution of subsidiaries		13,452	-
Proceeds from sale of investment property		-	209,560
Dividends received from an associate		117,042	-
Placement of term deposits		(591,046)	(1,255,574)
Interest income received		40,265	39,009
Net cash flows used in investing activities		(422,375)	(1,008,933)
FINANCING ACTIVITIES			
Dividends paid		(2,230,715)	-
Net cash flows used in financing activities		(2,230,715)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,849,388)	(1,452,759)
Net foreign exchange differences		(17,924)	(9,369)
Cash and cash equivalents as at 1 January		2,839,581	4,282,463
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER		972,269	2,820,335

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 September 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 nine month period end 30 September 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 2 November 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 regulated by the Capital Markets Authority ("CMA").

During the current period, the Parent Company was delisted from the list of the investments companies registered with the Central Bank of Kuwait ("CBK") as a finance company based on the ministry of finance decision number 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. 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 for the account of the Parent Company.
- ▶ 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
		30 September 2022	(Audited) 31 December 2021	30 September 2021	
Directly held					
Coast Investments Limited ("CIL")*	BVI	100%	100%	100%	Investment services
Coast Holding Corporation ("CHC")**	USA	-	100%	100%	Investment services
Indirectly held through CHC					
Winters Estate LLC ("Winters")**	USA	-	80%	80%	Real estate services

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

1 CORPORATE AND GROUP INFORMATION (continued)

* CIL is a dormant subsidiary under liquidation and it is subject to approval of the Board of Directors of the Parent Company in their upcoming meetings. This subsidiary was not considered as a separate major line of business.

** During the current period, the Group liquidated CHC and its indirectly held subsidiary Winters - dormant subsidiaries, which were not considered as separate major line of businesses. The Group recorded a gain on liquidation of subsidiaries amounting to KD 13,452 in the interim condensed consolidated statement of profit or loss under other income.

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 nine months ended 30 September 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.

**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)

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.

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.

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 September 2022

3 NET INVESTMENT INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</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	65,098	61,274	163,771	173,824
Unrealised (loss) gain on sale of financial assets at FVPL, net*	(687,437)	1,152,167	(1,204,822)	2,859,405
Interest income*	17,511	240	52,104	52,972
Dividends income*	686,906	19,931	1,628,071	12,151
	82,078	1,233,612	639,124	3,098,352

* This includes transactions with related parties amounting to KD 576,176 (30 September 2021:KD 1,795,845) (Note 9).

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 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
(Loss) profit for the period attributable to equity holders of the Parent Company (KD)	(74,169)	1,842,613	461,913	2,894,610
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)	(0.16) Fils	3.96 Fils	0.99 Fils	6.22 Fils

* 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

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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		
			30 September 2022	(Audited) 31 December 2021	30 September 2021	(Audited) 30 September 2022	31 December 2021	30 September 2021
			KD	KD	KD	KD	KD	KD
Rico GmbH Kuwaiti German Holding Company K.S.C. (Closed) ("KGH")*	Germany	Manufacturing	23.73	23.73	23.73	2,234,969	2,578,557	2,700,053
Weinig International A.G. ("Weinig")*	Kuwait	Investment	23.49	23.49	23.49	12,830,326	13,561,583	13,285,787
	Germany	Manufacturing	12.37	12.37	12.37	12,273,806	13,143,223	12,935,417
						27,339,101	29,283,363	28,921,257

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

Reconciliation to carrying amounts:

	30 September 2022	(Audited) 31 December 2021	30 September 2021
	KD	KD	KD
As at 1 January	29,283,363	29,565,180	29,565,180
Share of results	541,657	1,465,669	419,642
Share of other comprehensive loss that may be reclassified profit or loss in subsequent periods	(1,487,928)	(563,549)	(418,745)
Share of other comprehensive income that will not be reclassified to profit or loss in subsequent periods	1,236,307	291,781	338,280
Dividends	(117,042)	(132,476)	-
Exchange differences	(2,117,256)	(1,343,242)	(983,100)
As at end of the period/year	27,339,101	29,283,363	28,921,257

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 September 2021: KD 46,502,690) that consist of 465,026,902 shares (31 December 2021: 465,026,902 and 30 September 2021: 465,026,902 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.

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7 TREASURY SHARES AND TREASURY SHARES RESERVE

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

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 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 nine-month period ended 30 September 2022 and 2021, as well as balances with related parties as at 30 September 2022, 31 December 2021 and 30 September 2021:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</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)	95,384	155,048	371,352	390,850
Unrealised (loss) gain on sale of financial assets at FVPL, net (Note 3)	(266,111)	483,229	(337,254)	1,781,894
Interest income (Note 3)	4,247	5,571	11,839	13,951
Dividends income (Note 3)	-	-	901,591	-
			<i>(Audited)</i>	<i>30</i>
	<i>Associates</i>	<i>Others</i>	<i>30 September</i>	<i>31 December</i>
	<i>KD</i>	<i>KD</i>	<i>2022</i>	<i>2021</i>
			<i>KD</i>	<i>KD</i>
<i>Statement of interim condensed consolidated financial position:</i>				
Promissory notes*	1,453,060	-	1,453,060	1,663,994
Accrued management fees	-	95,384	95,384	109,049
Investment in a managed fund	-	8,547,994	8,547,994	8,885,248
Other liabilities	-	-	-	170,000

* Promissory notes represent a financing arrangement to an associate for the purpose of financing its operations and earn interest at 1.32% (31 December 2021: 0.95% and 30 September 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>Nine months ended</i>		<i>30 September</i>	<i>30 September</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	34,432	85,553	143,414	254,281	33,157	93,206
End of service benefits	3,897	6,133	11,975	18,233	50,840	101,312
	38,329	91,686	155,389	272,514	83,997	194,518

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 nine months ended 30 September 2022 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total income	1,266,265	117,920	13,452	1,397,637
Share of results of associates	155,921	385,736	-	541,657
Depreciation expense	(8,023)	-	-	(8,023)
Profit for the period	330,541	117,920	13,452	461,913
	For the nine months ended 30 September 2021 (unaudited)			
	<i>Kuwait and GCC KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Total KD</i>
Total income	2,134,557	1,767,699	48,442	3,950,698
Share of results of associates	(22,694)	442,336	-	419,642
Depreciation expense	(12,619)	-	-	(12,619)
Profit for the period	1,081,426	1,767,699	45,485	2,894,610

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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 30 September 2022 (Unaudited)</i>				
Total assets	27,602,869	19,023,050	70,526	46,696,445
Total liabilities	1,435,193	-	-	1,435,193
<i>Other disclosures:</i>				
Investment in associates	12,830,326	14,508,775	-	27,339,101
<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 September 2021 (Unaudited)</i>				
Total assets	28,930,148	21,347,797	118,998	50,396,943
Total liabilities	1,505,728	-	7,124	1,512,852
<i>Other disclosures:</i>				
Investment in associates	13,285,787	15,635,470	-	28,921,257

11 CAPITAL COMMITMENTS

As at the reporting date, the Group had capital commitments of KD 17,822 (31 December 2021: KD 105,535 and 30 September 2021: KD 107,736) 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 September 2022, portfolio and funds under management amounted to KD 88,313,943 (31 December 2021: KD 98,028,275 and 30 September 2021: KD 103,313,249).

Income earned from fiduciary assets amounted to KD 424,196 for the nine months ended 30 September 2022 (30 September 2021: KD 440,656) out of which, amounted to KD 371,352 (30 September 2021: KD 390,850) 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

13 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 30 September 2022, 31 December 2021 and 30 September 2021:

	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
30 September 2022				
Financial assets at FVPL*:				
Open-ended fund	8,547,994	-	8,547,994	-
Private equity funds	3,131,742	-	-	3,131,742
Quoted equity securities	764,000	764,000	-	-
Unquoted equity securities	8,052	-	-	8,052
	<u>12,451,788</u>	<u>764,000</u>	<u>8,547,994</u>	<u>3,139,794</u>
Financial assets at FVOCI:				
Unquoted equity securities	141,972	-	-	141,972
Investment securities (at fair value)	<u>12,593,760</u>	<u>764,000</u>	<u>8,547,994</u>	<u>3,281,766</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 2021 (Audited)				
Financial assets at FVPL*:				
Open-ended fund	8,885,248	-	8,885,248	-
Private equity funds	4,111,216	-	-	4,111,216
Quoted equity securities	707,873	707,873	-	-
Unquoted equity securities	8,278	-	-	8,278
	<u>13,712,615</u>	<u>707,873</u>	<u>8,885,248</u>	<u>4,119,494</u>
Financial assets at FVOCI:				
Unquoted equity securities	505,002	-	-	505,002
Investment securities (at fair value)	<u>14,217,617</u>	<u>707,873</u>	<u>8,885,248</u>	<u>4,624,496</u>

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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 September 2021</i>	<i>Total KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets at FVPL*:				
Open-ended fund	8,673,452	-	8,673,452	-
Private equity funds	4,085,389	-	-	4,085,389
Quoted equity securities	986,793	986,793	-	-
Unquoted equity securities	8,278	-	-	8,278
	<u>13,753,912</u>	<u>986,793</u>	<u>8,673,452</u>	<u>4,093,667</u>
Financial assets at FVOCI:				
Unquoted equity securities	516,885	-	-	516,885
Investment securities (at fair value)	<u>14,270,797</u>	<u>986,793</u>	<u>8,673,452</u>	<u>4,610,552</u>

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

	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
Non-current	11,687,788	13,004,742	12,767,119
Current	764,000	707,873	986,793
	<u>12,451,788</u>	<u>13,712,615</u>	<u>13,753,912</u>

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

	<i>30 September 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 profit or loss	(874,837)	-	(874,837)
Remeasurement recognised in OCI	-	152,150	152,150
Sales	(104,863)	(515,180)	(620,043)
As at 30 September 2022	<u>3,139,794</u>	<u>141,972</u>	<u>3,281,766</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
Sales	(125,056)	-	(125,056)
As at 31 December 2021 (<i>Audited</i>)	<u>4,119,494</u>	<u>505,002</u>	<u>4,624,496</u>
	<i>30 September 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 profit or loss	1,034,067	-	1,034,067
Remeasurement recognised in OCI	-	89,433	89,433
Sales	(124,216)	-	(124,216)
As at 30 September 2021	<u>4,093,667</u>	<u>516,885</u>	<u>4,610,552</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.